DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 21 Section 1 July 26, 1926.

THE WHEAT OUTLOOK An editorial in The Washington Post to-day says: "When Congress reassembles in December the 'farm bloc' may be expected to renew its effort to force Congress to create a value for surplus wheat which the law of supply and demand will not warrant. Not only are the prospects bright for a very large crop of cereal grain in the United States, but the international agricultural bureau in its world reports apparently foresees no shortage which would serve to increase value of the American surplus. If that were not enough to spread uneasiness through the wheat belt, it is learned through a French language newspaper published in Sofia that the kingdom of Bulgaria is carrying on experiments with new varieties of wheat which apparently have demonstrated that even the Balkan states may become an important factor in the wheat markets of the world. 'This year,' announces La Bulgurie, 'we shall experiment with new kinds of wheat, which have been developed through much labor, in a dozen villages and on many private properties. There are some 5,000 of these tests being carried on at the present time.' It is further explained by the Sofia newspaper that by the sowing season of 1927 it is expected the increased acreage sown to these new varieties will approach 100,000 acres and that by the end of five years Bulgaria probably will have an excess of 500,000 tons of exportable grain. All of which may be looked upon as an indication that the horizon for the farmer in the wheat belt shows signs of increasing cloudiness. The grower of domestic wheat is not receiving a fair price for his product, but the remedy is not to be found in price-fixing legislation. The economic law of supply and demand must be met and the farmer may yet see the wisdom of crop diversification and put it into effect. When he does that, better times will be his portion."

COTTON STATISTICS A New Orleans dispatch to the press to-day says: "For the moment no attention is being paid in cotton circles to statistics of the supply and distribution, although it is generally accepted as a fact that the carryover into next season will be large. The annual figures will become available in another ten days, but it is not believed that they will present many surprises. In the meantime there has been a decided improvement in the domestic cotton goods trade, both cloths and yarns being in broader demand, with the mills increasing their activity. Should the outlook for the growing crop continue unfavorable owing to inclement weather and the depredation of insects, buyers of cotton goods will probably be induced to relax their policy of buying only from hand to mouth and venture upon some forward business...."

CORN MARKET A Chicago dispatch to the press to-day says: "A most unusual situation exists in corn. There has been crop damage in spots which makes farmers hold back their old corn. This should make a light movement for some time to come, as the crop outlook generally is too uncertain. No one in the trade has ever seen a cash situation like the present with No.2 yellow selling in Chicago at 1/2c over September and the latter at almost 7 cents over the July, and December 10 cents above the July. Cash corn at Chicago is relatively the cheapest in any market in the country and supplies are the largest...."

Section 2

Agricultural Relief Legislation

The World's Work for August, in its monthly review of events, says: "Farm relief may not of itself be a perennial question, but it will be a long time before we get rid of the theory on which it is based--that is, that the Government is responsible for prosperity. In spite of the fact that the Government has not generally been successfully appealed to, to save a business that can not save itself--such as silver mining or shipping--many businesses that are strong have received help from the Government, particularly in the form of protective tariffs. The Republican party's historic boast that it provided a full dinner pail is now questioned by the farmers. They are asking: Is this an idle boast? Does the Government provide a full dinner pail? And if it does, is it its policy to provide for eastern manufacturers only or does it provide for the farmer, too? And if it will take care of the farmer, is he to be allowed to choose the method? This situation is the logical result of the widespread belief that the Government can and should guarantee every industry a living. As long as that idea holds sway every industry that feels the pinch of circumstance will marshal its cohorts, march upon Washington, and ask relief. If the relief is refused, the next step is to combine with some other sufferer, just as the corn farmers tried to buy the support of the cotton farmers. The crystallization of fundamental issue is an extremely slow process. But the debates on prohibition will do something toward educating the public to an opinion of the encroachments of the Federal Government into State and local issues, and the agitation for farm relief will make many people question the whole 'full dinner pail' theory....."

Agriculture in Palestine

The Nineteenth Century for July contains an article by W. Basil Worsfold on the economic outlook in Palestine. He says in part: "Although the broad mountainous section is broken up by fertile plains and valleys, Sharon, Esdraelon, Jezreel, and the rest, it is obvious that, with such a physical formation, an unusual proportion of the land surface must consist of sandy plains and stony uplands. And to this natural disability must be added the injurious effects of centuries of maladministration and defective cultivation. Owing to the first cause, of a total land surface of 9,000 square miles, or nearly six million (5,760,000) acres, only four and a half million acres are exploitable, and three and three-quarter million (3,700,000) acres normally cultivable. Of the normally cultivable three and three-quarter million acres, under present conditions nearly 50 per cent (1,700,000) must be written off as uncultivable, leaving two million acres as the now cultivable area. Of this cultivable area three-fourths of a million acres of arable soil remain uncultivated; so that the present cultivated area is one and a quarter million acres--rather more than one-fifth of the geographical, and exactly one-third of the normally cultivable, area of the country. And since, broadly speaking, the land which has been, or is being, acquired by the Jews for their agricultural settlements is desert or undrained marsh land--i.e., land to be reclaimed from the derelict two-thirds of the normally cultivable area--the bulk of the now cultivated area is in the hands of the Arabic-speaking population. Hence it follows that, until the more recently acquired and larger tracts of land under Jewish occupation have reached maturity, the agricultural and pastoral output of Palestine is limited, with slight exceptions, to the produce of one and a quarter million acres stocked with the animals, tilled with the implements, and cultivated by the methods known to the

followers of Mohammed when, in the seventh century A.D., they overran Syria and Palestine. Such conservatism, delightful as it is to the antiquarian and the lover of the picturesque, is economically deplorable. Thus cultivated, the meagre residuum of the cultivable land of Palestine produces less than half of its normal yield, and the population which it can support is correspondingly limited. It is the cultivator, and not the soil or climate, which is at fault."

Dairy Products In Wisconsin An editorial in Chicago Dairy Produce for July 20 says: "Wisconsin's dairy output for 1925 has been made public by Dairy Commissioner J. B. Emery, in its most important totals. Details will await the appearance of the Commissioner's printed report. But the figures given show not only the immense total of its dairy industry, but the continued rapid growth of that industry. The total of dairy products for 1925 exceeds $269,543,000, which is a gain of over $24,678,000 compared to 1923 of 10 per cent. Wisconsin is the leading cheese state of the country but its percentage of increase of butter is greater than its increase of cheese, the former being 13 per cent as against 9 per cent for cheese."

Farm Surplus An editorial in The Nebraska Farmer for July 17 says: "In view of certain facts, Melvin A. Traylor, president of the First National Bank of Chicago, thinks that the much discussed farm surplus is a myth. He says: 'With the exception of cotton and cattle on farms, agricultural production has been almost uniform in the two periods 1911-1915 and 1921-25, which eliminates, of course, the five-year period from 1916 to 1920 inclusive, which embraced the activity of the war and the early post-war inflation. In no case, has production anywhere approached an increase commensurate with the increase in population between the two dates. It, therefore, seems perfectly obvious that the socalled surplus production is largely a myth, and that the cause of the farmer's complaint, that he is not making a profit from his farm operations, must be looked for in some other direction.' Mr. Traylor's figures are all right up to a certain point, but they do not go far enough. He fails to take into account that there has been wide variations in the amounts of our exports during the last ten years. For instance, we exported 19 per cent less grain and grain food preparations in 1925 than in 1924. Our exports of wheat in 1925 were 46 per cent and corn 31 per cent less than in 1924. 15.38 per cent of our total exports in 1921 were of farm products, while in 1925 they amounted to only 6.6 per cent. Thus it goes, and the reasons are readily understood....There are many countries that produce such agricultural commodities as wheat, meat and dairy products cheaper than we do. On account of cheap land and cheap labor, this condition will continue for a long time. Therefore, it is evident that having lost a good part of our foreign market, we are more than ever dependent upon the domestic market. This condition has been alleviated somewhat by the employment of all domestic labor at good wages, but it has not been sufficient to offset the loss of markets that not so very long ago took a considerable portion of our surplus. With respect of certain of our agricultural products, the surplus is not a myth, nor will it be unless we atune our farming operations to the requirements of the domestic market. We can and should handle the surplus of certain staple products as insurance against short crop years, but it is equally important that when a surplus exists, our farming activities should be addressed to producing more of the things of which we do not have enough."

Rubber

An editorial in The Washington Post for July 24 says: "Researches by the Rubber Association of America have indicated the probability of a world shortage in 1928 and of a rate of consumption exceeding production by 1930. The United States imports three-fourths of the world's rubber output. The need of American industry to develop fresh sources of supply has led to special studies by public and private agencies in the Philippines, Hawaii, Florida, Latin America and Africa, as well as Liberia. In 1923 Congress appropriated money to investigate the possibilities of developing the rubber industry in the Philippines and Latin America. In connection with a suggestion that the Amazon region affords good prospects for rubber production, it is said that the first rubber trees planted in India, Ceylon and the Malay States came from Brazil seeds. This resulted in the great British rubber plantations in the British and Dutch colonies in the middle east. The output of the Asiatic plantations passed that of the Amazon region in 1913, and in the next two years left them far behind. It is doubtful if American capital can be induced to launch into the Amazon fields, first because of the long-time credits needed and second because of the pending African projects."

Section 3
MARKET QUOTATIONS

Farm Products

For the week ended July 23: Virginia Irish Cobbler potatoes 25 to 50¢ lower at $2.75 to $3.75 per barrel in city markets; $2.50 to $2.75 f.o.b. Maryland stock $3 to $3.25 in a few cities; California Salmon Tint cantaloupes $2 to $3.50 per standard 45 in consuming centers; Arizona stock $1.25 to $2.50. Delaware and Maryland and New Jersey Yellow Transparent apples 50¢ to $1.25 per bushel basket in eastern cities; Illinois stock 75¢ to $1.25 in Chicago. Georgia Belle peaches $1 to $1.75 per six-basket carrier and bushel basket. Elbertas $1.50 to $2.25 in distributing centers; $1.10 to $1.25 f.o.b. Macon.

Hogs declined sharply during the week while the price of beef steers improved slightly; beef heifers also show some improvement while the price of cows ranged from slightly lower to higher. Vealers show advances with heavy calves and stocker and feeder steers unchanged. Fat lambs advanced but yearlings and feeding lambs lost price ground. Fat ewes remained steady throughout the week. New York wholesale fresh meat market is steady to 50¢ lower on steer beef, $2 lower on veal, $2 higher on lamb, $3 to $4 higher on mutton and 50¢ higher on light pork loins but weak to $4 lower on heavy loins. New York quotations as of July 23 on good grade meats: Steer beef $14.50 to $16, veal $17 to $19, lamb $26 to $28, mutton $16 to $19, light pork loins $27.50 to $30, heavy loins $17 to $21.

Wheat prices declined sharply during week. General market situation continues unchanged but demand particularly for export fell off materially at recent high price level and the cash market has weakened. Spring wheat crop prospects improved. Dry weather unfavorable for growth of corn and filling of oats in many sections of grain belt.

Average price of Middling spot cotton in 10 designated spot markets advanced 17 points during the week, closing at 18.10¢ per lb. New York October future contracts advanced 22 points, closing at 17.51¢.

Hay market holding firm. Demand for sound hay good most markets. Some new timothy heating hard to sell. Accumulated stocks low grade hay eastern markets being reduced. Prairie prices on new crop basis. Quoted July 23: No.1 timothy Boston $29; New York $30.50; Pittsburgh $22; Cincinnati $24.50; St. Louis $18.00; Chicago $25. No.1 alfalfa San Francisco $12; Omaha $15.50. No.1 prairie Chicago $19; Minneapolis $18; Omaha $17.50; St.Louis $17.50. (Prepared bu the Bu. of Agr. Econ.).

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Vol. XXII, No. 22 Section 1 July 27, 1926.

SNOW ON WHEAT CROP A Chicago dispatch to the press to-day quotes B.W.Snow, grain crop expert, as saying: "Broadly speaking, we have a year of poor spring wheat in this country and a heavy yield of winter wheat, furnishing a total crop decidedly larger than last year, while the Canadian crop of spring wheat is uncertain and is dependent upon weather conditions of the next few weeks."

GRAIN TRAFFIC A Chicago dispatch to the press to-day states that southwestern railroads have the promise of a large grain traffic for a great many months to come, while railroads in the Middle West are also looking for a good average business. In the Northwest, though, there is uncertainty owing to recent unfavorable crop conditions, and grain traffic there is not expected to reach the volume of last year. South Dakota has been hit hard and will have less grain to sell than at any other time in recent years. In Kansas and Oklahoma railroads are virtually swamped with business and are handling more than in any other year, having a large supply of box cars and an abundance of motive power. The only drawback is the tying up of cars at Galveston because of inability to get the large supply there loaded into boats as fast as grain arrives.

LOWDEN ON AGRICULTURE The New York Times to-day states that former Governor Frank O. Lowden of Illinois returned yesterday from a two months trip through Northern and Central Europe, more than ever convinced that if agriculture is to hold its own in this or any other country it must be brought about by organization. Mr. Lowden brought back much information about the methods in use in Scandinavia and Northern Germany, which are recognized as the leading farming countries of Europe. "The people of these countries," said Mr. Lowden, "of all classes, not only the farmers, appreciate the importance of agriculture more than we do in America. All seem to realize that the soil and its products are of first importance in a wise national economy." While he had been much impressed with the progressive cooperative methods of the Danish farmers, Mr. Lowden saw a closer analogy between the situation in Germany and in America. "Germany" he continued, "better than any other great industrial nation, I think, has succeeded in maintaining a proper balance between her agriculture and her industry. Ever since she adopted the protective policy in the last quarter of the last century she has seen to it that her agriculture should keep pace with the growing industry. I was greatly impressed and interested with the fact that some, at least, of the protective tariff countries of Europe have found a way to make the tariff effective as to agriculture as well as to industry."

BELGIAN BREAD SAVINGS HELP FRANC A Brussels dispatch to-day says: "King Albert and Queen Elizabeth eat dark bread--near-war bread--as part of the stringent measures of economy which have been put into effect in Belgium to stem the decline of the Belgian franc....The savings in bread alone is estimated at 10,000,000 francs a month and when the new crops are harvested will amount to about 40,000,000 francs...."

Section 2

Agricultural Relief Legislation

An editorial in Hoard's Dairyman for July 25 says:"...It seems to us that Congress might have agreed upon some measure that would be at least the forerunner of constructive legislation such as agriculture requires. If it had done nothing more than create a farm advisory board to study ways and means of helping agriculture and what other nations have done and are doing, it would have been worth while. We are not content to believe that nothing further can be done by Congress to help our most important industry. To our way of thinking, no plan has yet been presented that would be of much help to agriculture and the Haugen bill proposed a procedure which would have been in the end injurious. We see no possible way of permitting unlimited.production of any farm crop and still maintain a price for it that will return its growers a reasonable income. We are unable to locate any manufacturer who produces regardless of demand and who is paying dividends to his stockholders. It may be said that the work done in Congress in behalf of farm relief legislation is not without value. The whole country is advised that agriculture is not upon a proper basis and it is entitled to the same opportunities as are extended to other industries. We have little hope of solving the agricultural problem in the political arena. Some members of Congress will lose their seats because of this issue and others will win them. This will accomplish nothing. There must be devised some plan for agriculture the same as was provided for our banks, and we regret that Congress did not see the advantages of creating a farm advisory board. An organization of this character could have at least brought the agricultural forces together, and that is necessary before anything definite can be accomplished."

Automobile and Vacations

The New York Times of July 25 contains a lengthy article on "Where Americans Go on Summer Vacations." The author says in part: "When Americans go vacationing they do it as they do everything else, on a mammoth scale....By far the largest proportion of summer tripping is done in automobiles. It is estimated that 36,000,000 people will hit the 'rubber trail' this summer. The figure is supplied by the American Automobile Association. It is calculated that 3,000,000 pleasure cars will carry 12,000,000 people who are to take their outings under canvas. 'From comparative information gathered by us from our 820 affiliated automobile clubs throughout the United States,' one of the association's officials informs The New York Times, 'we estimate that about one-third of all automobilists are supplied with tenting equipment. On this basis it may be prophesied that as many as 9,000,000 automobiles altogether will take to the open road. Assuming that there will be four people to the car, it would make 36,000,000 people in America who will spend at least a part of their summer holidays in motoring.' The total estimated expenditure of motorists on vacation is placed at $2,000,000,000. High as these estimates of the number of touring motorists may seem, they are not excessive when compared with tabulations made by the National Forest Service and by the Director of the National Parks...."

British Bread Consumption

"Britain's Declining Bread Consumption" is the title of a paper by James Meikle, published in The Northwestern Miller for July 21. Mr. Meikle says in part: "....The great development of transport has naturally brought to us a wider selection of foods, a greater variety, many fruits and vegetables now being available as food for a much longer period of the year than was the case formerly. In fact, modern transport

has made such a change in the economics of the general community that it is hardly possible to compare this period, this century, with anything that has gone before. This development has had other results; speedy and cheap travel has caused people to travel farther, and this travel has broadened the people's outlook, improved their taste in foodstuffs, and it has been said, as a consequence, that less bread is eaten nowadays....I have devoted considerable attention to this subject of bread consumption so far as actual figures are concerned for the reason that the volume of business done is vital. We are using flour at the rate of 40,000,000 sacks yearly, of which 5,500,000 sacks are from home grown wheat. Ten years ago the figure was slightly greater by some 30,000 sacks, but meantime our population has considerably increased. In the census of 1921 there was an increase of 2,000,000 compared with 1911, in spite of the appalling loss of life during the war, and it is estimated that to-day that figure has been increased by another 500,000. If wheat consumption stands still and the population increases, obviously bread consumption is declining....It is admitted that bread is not the necessity it once was. The worker, the great bread eater of to-day, is living on a higher level of comfort. He has more money with which to buy food. He has a wider choice of foods. The worker is purchasing more expensive food. Some of it is of the fancy cake and confectionery order....."

Wheat Data Accuracy

Evidence has accumulated from various sources indicating that the official estimates of acreage and production of wheat in the United States in certain years have been wide of the truth, says the Food Research Bureau of Stanford University, California. From a survey of the situation the institute concludes that in recent years the estimates have been quite reliable, but it is pointed out that the study proved conclusively that prior to 1902, at least, the official estimates were invariably too low, as were also the census figures. For several years the actual acreage and production are shown to have been as much as 30 to 40 per cent above the official estimates. "Not only are the earlier official estimates demonstrably low, but over considerable periods they show erroneous trends," says the institute....."These errors result in giving a seriously distorted picture of the development of wheat growing in the United States. Between 1880 and 1910 in particular, the original acreage estimates and the existing official revisions give a quite erroneous impression of the effects of price changes and of the other forces that were influencing acreage. Studies of the effect of production changes on prices likewise are seriously handicapped by the errors in the production estimates for these years. The most trustworthy revision of the original acreage and production estimates can be made only with the aid of a thorough analysis, State by State, of all the revelant data in the possession of the Department of Agriculture, or available to it. Such a study was undertaken several years ago by the Division of Crop and Livestock Estimates of the Department of Agriculture, but the magnitude of the task, combined with limitation of funds and the pressure of work on current estimates, has made progress slow. The principal errors in the original estimates can be removed by treating the United States as a whole and many of them only by this method. The seriousness of the errors and the need for more reliable figures as basis for current studies have led us to prepare such a revision for the period 1866-1910, to be used pending the appearance of the more thorough official revision, in brief, the revision is accomplished by

determining first the general level and trend of production by data on disposition, the principal items in which can be determined quite accurately, and then utilizing the official estimates of acreage and yield per acre to determine the year-to-year fluctuations....In conclusion, then, it may be said that the present revision brings the estimates of production of wheat in the United States into agreement with the data on disposition and give a much more reasonable picture of the developmen of wheat growing in the United States than appears in the original acreage estimates. While subject still to certain imperfections, it provides a greatly improved basis for determining the effect of price changes on the acreage of wheat in subsequent years and for studying the influence of changing production on prices, exports and year-end carry-overs."

Wheat Outlook An editorial in The Wall Street Journal for July 26 says: "Throughout the past week wheat prices have been crumbling; at the close on Thursday, as compared with the first of the week, the July delivery had lost about 7 and the December 3 cents a bushel. Prices have been affected by several influences other than the crop outlook. Leaving those other matters out of consideration the situation does not indicate permanently lower prices....Winter wheat in the Southwest is turning out much better than was expected. Thanks to the use of combines the movement to market is much more rapid than usual, total primary receipts on one day being 3,141,000 bushels, against 2,173,000 the week before and 1,780,000 a year ago. Here are two solid reasons for a drop in July wheat. Also, private crop experts now in western Canada claim that the three provinces will produce from 350,000,000 to 375,000,000 bushels. This would be from 25,000,000 to 50,000,000 bushels more than the official estimate of June 30. Obviously, this too would be a bearish factor, for whatever affects wheat in Canada must also have an influence upon our markets. On the other hand our spring wheat crop has been going backwards.... Foreign crop reports are not yet very informative, but the few countries of which we have information point to a smaller harvest. Broomhall's Paris agent has just estimated the French crop at 253,000,000 bushels, against 329,000,000 last year. The German wheat and rye crops are supposed to be under those of 1925. It is certain also that the Indian crop shows no export surplus. Even though Canada should surpass the official estimate, it seems that the world outlook is such that heavy receipts from our Southwest should not permanently depress prices."

Section 3

Department of Agriculture

1 An editorial in The Journal of Commerce for July 26 says: "The New York Produce Exchange has been licensed to deal in grain futures. Thus we may know by its acts what the Department of Agriculture thinks of trading in futures. After all the prolonged agitation and misplaced reforming zeal of the agrarian political advocates of the abolition of futures contracts, the Department of Agriculture appears to think that more trading is the best defense against the manipulative evils that undeniably exist. Any constructive solution of the problem of regulating 'futures' trading, whether in wheat, cotton or some other commodity, involves broadening the trading basis and increasing facilities for actual delivery against contracts. With a New York contract based on delivery at Buffalo, available hedging facilities will be greatly enlarged and manipulative operations ought to become correspondingly more difficult."

Department of Agriculture 2

An editorial in The Florists Exchange for July 24 says: "Truly practical ideas that are of real service to the florist grower and nurseryman are not overabundant, and particularly does this apply to such as can be utilized by the rank and file, without having to purchase some patented device or even out of the ordinary fittings. Such, however, is the appliance invented by Peter Bisset and described elsewhere by our Washington, D.C. correspondent. The reduction of growing costs and simplification of handling are what every commercial grower strives for, but in the art of propagation, whether vegetatively or from seed, the amount of attention essential to success has always been considerable....Peter Bisset, by evolving the system of heat and water control for propagating benches, described on our feature page, has not only made things easy at the Department of Agriculture greenhouses, but has also rendered the industry a great service by providing a plan of the system so that any one may install it."

Section 4

MARKET QUOTATIONS

Farm Products

July 26: Virginia and Maryland Irish Cobbler potatoes sold at $2.75 to $3.50 per barrel in eastern cities; $2.50 to $2.65 f.o.b. East Shore points. Georgia and South Carolina Tom Watson watermelons, 24-30 pounds average, firm at $225 to $350 bulk per car in consuming centers; $150 f.o.b. Macon, Ga. Georgia Elberta peaches slightly lower, sales mostly around $1.75 to $2.25 per bushel basket and six-basket carrier in terminal markets; $1.15 to $1.40 f.o.b. Macon. California cantaloupes 75¢ to $1 lower, Turlock Section Salmon Tints closing at $2.50 to $3.25 per standard 45 in city markets. Arizona Salmon Tints $1.25 to $2.25.

Chicago hog prices closed at $13.90 for the top, bulk of sales $10.85 to $13.35. Beef steers choice $9.65 to $10.75; heifers, good and choice $7.50 to $10.35, cows, good and choice $6. to $8, common and medium $4.35 to $6, low cutter and cutter $3.15 to $5.35. Vealers, medium to choice, $9.25 to $13.25, heavy calves, medium to choice, $6.50 to $8. Fat lambs medium to choice $12.75 to $15.15, yearling wethers, medium to choice, $10.25 to $13, fat ewes, common to choice, $5 to $7.50, feeding lambs medium to choice $11.50 to $14.

Grain prices quoted July 26: No.1 dark northern Minneapolis $1.63 3/8 to $1.73 3/8. No.2 red winter $1.43 1/2 to $1.44 1/4; St.Louis $1.43 to $1.43 1/2. No.2 hard winter Chicago $1.43 to $1.44 1/2; Kansas City $1.35 1/2 to $1.44 1/2. No.2 mixed corn Minneapolis 83 1/2 to 84 1/2¢. No.2 yellow corn Chicago 83 to 84¢; Kansas City 86 1/2 to 87 1/2¢. No.3 yellow corn Chicago 80¢; Minneapolis 86 1/2 to 87 1/2¢; St.Louis 84 1/2¢. No.3 white corn Chicago 81 to 81 1/2¢. No.3 white oats Chicago 44 to 44 1/2¢; Minneapolis 43 1/8 to 43 5/8¢; St.Louis 44 to 44 1/2¢; Kansas City 42 to 43¢.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 37 3/4¢; Philadelphia 41 1/2¢; Boston 40 1/2¢.

Middling spot cotton in 10 designated spot markets advanced 14 points, closing at 18.51¢ per lb. New York October future contracts advanced 13 points, closing at 17.85¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	July 26,	July 24,	July 25,1925
20 Industrials	155.71	154.59	135.63
20 R.R. stocks	113.81	112.89	99.03

(Wall St. Jour., July 27.)

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Vol. XXII, No. 23 Section 1 July 28, 1926.

THE PRESIDENT ON BUSINESS CONDITIONS

A dispatch from Paul Smith's to the press to-day says: "President Coolidge is convinced from information received from a variety of authoritative sources that business conditions in the United States are excellent and that the country is justified in looking forward to a period of even greater prosperity. This judgment the President found reinforced yesterday by what Edsel Ford has to tell him of the increased sales of automobiles, farm tractors and trucks to farmers in the greater part of the agricultural section and by reports of expanding railroad business given him by Patrick E. Crowley, president of the New York Central....The President invited Mr. Ford with the object of obtaining the automobile manufacturer's views of business, industrial and agricultural conditions as indicated by the demand for new cars and by the reports received from the myriad of Ford agencies. ..."

HIGHWAY FUND URGED

An Associated Press dispatch July 28 from Charlotte, N.C., says: "Announcement was made at Charlotte July 27 that plans were being made for the early launching of an enormous highway fund to complete the Federal highway system in the United States. The drive, over a period of many years, will be for approximately $99,000,000,000 in America, T.L.Kirkpatrick, president of the National Bankhead Highway Association and leader of the movement, declared. 'The Federal road system we have planned is not a new thing,' Mr. Kirkpatrick said, 'having been approved by the Bankhead association in Phoenix, Ariz., in 1922.' Mr. Kirkpatrick explained that the system of roads proposed would be Federally owned and would connect all State capitals, as well as having a coast to coast trunk highway along the Atlantic and Pacific seaboards, and a transcontinental highway along the Canadian border and another through the southern section of the Nation. He said that the Government would apportion $33,000,000,000 in the construction of the chain of highways, which would extend eventually to a length of 3,000,000 miles. He said the total paved mileage now is approximately 750,000 miles."

GRAIN RATES

A Minneapolis dispatch to the press to-day says: "The Minneapolis and St.Louis Railroad yesterday announced a reduction of 6 cents per 100 pounds in all-rail rates on grain and grain products, shipped from northwest Minnesota, North Dakota and Montana to the East by way of Minneapolis. The reduction, effective on August 25, on approval of the Interstate Commerce Commission, will reduce from about 15 to 9 cents the differential prevailing between Minneapolis and Duluth and Buffalo."

ASIAN FOOD SHORTAGE

A Riga dispatch to the press to-day states that reports received in Moscow from Ferghana say that the dearth of grain in Soviet Central Asia is approaching a famine.

Section 2

Commercial Prosperity

An editorial in the Washington Post for July 27 says: "The Commerce Year Book for 1925 pronounces last calendar year the most prosperous in the history of the United States. Considered in its entirety, industry and commerce reached the highest levels ever attained, not even excepting the abnormal war period. Nevertheless, it was not a particularly speculative, but rather a normal and continuous year. There was no boom, no excessive expansion of credit. The basic reason for this unprecedented business was, according to the Department of Commerce, increasing efficiency of business and commerce. The increase in the output of manufacturing industries was accompanied by a greater volume of employment and wages. Average wages, in terms of money, continue twice as high as before the war. The workingman is enjoying the highest real wages in American industrial history. The average prices of important farm products were higher in 1925 than in 1924; while the retail price level of food has risen slightly, corresponding with the rise in prices at the farms. The cost of living rose 3 per cent in 1925 over 1924. While the excess of commodity exports over commodity imports was less in 1925 than in 1924, American capital to the extent of more than a billion dollars was loaned or invested abroad. Exports of manufactured commodities increased 25 per cent, and in agricultural products the increase was 12 per cent, as compared with 1924....."

Cotton

An editorial in The Wall Street Journal for July 27 says: "Cotton may be in active demand this coming season, or it may be a drug on the market with sellers anxiously seeking buyers. These are the possibilities shown in the crop report based on conditions as of July 16. Again, by the same report, the probabilities are for a crop between the two extremes such as to suggest prices around the present level. Taking it all in all the cotton market is likely to be a nervous affair for the next two months with prices fluctuating under the influence of reports and guesses on condition of the crop. The area in cultivation on June 25 was 48,898,000 acres. With average abandonment the area picked this autumn should be 47,153,000 acres. The condition on July 16 averaged 70.7. On this state of facts the Crop Reporting Board made three different estimates to fit probable and possible weather and insect conditions. Assuming that average conditions prevail until the end of the season, the probable crop is estimated at 15,368,000 bales. This is about what is generally expected. Should the season from July 16 average as it did in 1921, 1922 and 1923, a crop of 13,476,000 bales would result. The likelihood of such a crop would cause a scramble for cotton and goods. But if average conditions are as favorable as in 1924 and 1925 a record crop of 16,628,000 bales would be produced. Obviously such a crop would result in a buyer's market...."

"Irish" Bacon

An Associated Press dispatch from Belfast July 25 says: "Ireland which always has prided itself on its bacon, has received considerable of a shock in learning that all the bacon sold in Ireland is not Irish, and that some of it comes from even as far away as China. Testifying before the Free State Food Tribunal, Joseph Slattery, a noted southern curer, said that while walking down one of Dublin's leading streets he counted 12 different pig nationalities in shop windows. One of these was Chinese. Mr. Slattery said that a priest from California, who recently was his guest at Trales, commented on the fine flavor of the bacon served at breakfast and wished he could get such good meat in America. 'The bacon you are eating,' Mr. Slattery said he replied, 'is from Minneapolis, and I am just trying it out.'"

Irrigation Relief — Relief for farmers has become an accomplished fact by the Interior Department on lands irrigated under Federal irrigation projects. A compilation made public by the Bureau of Reclamation, as a result of the recent enactment of the Omnibus Reclamation Adjustment act, shows that relief has been given to irrigation farmers of the West to the extent of $27,456,371 in charge-offs of their construction obligations to the Government.

Maple Sugar Production — The press of July 18 states that reports received from makers of maple syrup and sugar indicate that the total production in the ten most important States last spring was more than 34,750,000 pounds measured as sugar, of which about 3,250,000 pounds were in the form of sugar. The production of 3,900,000 gallons of syrup is practically the same as the record production of 1924. Only 15,250,000 trees were tapped this year, but the average yield of 2.28 pounds per tree was unusually high. Prices were reported as slightly higher than usual in most districts. The reported selling prices for good syrup were $2.25 to $2.50 in western districts; about $2.15 in the central region, and $2.35 to $2.55 in most of New England, although there were considerable variations from these figures. The average price for Vermont sugar was reported as about 33 cents per pound retail and 24 cents in bulk, bulk syrup prices in that State being about $1.70 per gallon.

Motor Cars in Rural Iowa — Iowa Homestead for July 15 says: "According to statistics issued by the National Automobile Chamber of Commerce, barring Texas, Iowa has more motor cars on farms than any other State in the union. The number was 228,738 on January 1, 1926, or more than the number of farms in the State--213,481, according to the Bureau of Census. Of these, 21,929 were trucks and 206,809 automobiles. These figures do not include village or town registrations but represent strictly farm cars. This rapid increase in the number of motor cars in Iowa speaks well for the State and indicates a healthy condition of her agriculture. The fact that Iowa farmers own approximately 3,000 more motor cars than Illinois is another matter worthy of mention in this connection. Furthermore, judging from the number of cars that have been sold so far this year there will undoubtedly be fully as large an increase in farm motor car ownership in Iowa this year as there was last. There is also a big increase in the number of tractors purchased by Iowa farmers so far this year, which increase undoubtedly will continue from year to year. Several makes of tractors are now being used in the cultivation of corn, which is one of the most important reasons why their use on farms is rapidly growing."

Motor Traffic in Britain — The British Ministry of Transport's return on the approximate number of motor licenses current in Great Britain on May 31 shows that the chief increase in motor cars during the last nine months has been under the heading of "private cars," the total of which is now two and a half times as high as in 1921 and nearly six times as high as in 1913. Although the totals do not, as a rule, reach their maximum until August of each year, the figures already show an increase of approximately 5% over those of 1925, according to advices just received by Bankers Trust Company of New York from its British information service. A table presented with the statement shows the number of licensed motor cars on May 31, 1926 to be: Private cars 627,000; commercial vehicles, 335,000; motorcycles, 586,000.

Peppermint Acreage

A Portland, Ore., dispatch to the press of July 23 says: "Peppermint production in Willamette Valley is becoming an important industry. In western Oregon more than 3,000 acres are devoted to mint, and the acreage is increasing fast. Some authorities say that the mint fields here surpass those of Michigan and Indiana. A few growers have contracted their peppermint oil at $5 a gallon, while others are predicting a price level of $10."

Poultry in Wisconsin

An editorial in Hoard's Dairyman for July 25 says: "The poultry industry of Wisconsin is increasing quite as rapidly as the dairy industry, the two going forward apparently hand in hand with an increase in number of approximately 50 per cent for the past fifteen years. The total number of chickens was 13,319,000 in 1925, the 12,560,000 hens of laying age producing 97,340,000 dozen eggs, according to the Wisconsin department of agriculture. The farm value of the egg production in Wisconsin in 1925 is placed at 29 million dollars, with 9 million dollars as the estimated value of poultry sold or slaughtered. This total income of 38 million dollars gives to the poultry industry a place of major importance as a source of farm income, amounting to 20 per cent as much as the 191 million dollars farm value of milk produced in Wisconsin in 1925."

Russian Grain Harvest

The New York Times of July 26 prints the following cable from Moscow: "Figures for the Russian harvest are revealed by a resolution of the Central Committee of the Communist Party regarding the agricultural policy published in the July 25 Pravda. According to the Central Statistic Bureau the estimate on June 15 amounted to a total grain harvest of 2,820,000,000 bushels, with 2,508,000,000 last year, or an increase of 10 per cent. More recent figures by the Central Statistic Bureau show a still further increase so that the total may well reach 3,000,000,000 bushels. Taking the June 15 figures as a conservative estimate would leave a surplus of 500,000,000 to 600,000,000 bushels over that of the needs of peasants for their families, their cattle and seed reserves.... Unfortunately there are three difficulties: 1. The peasants want goods rather than money. 2. Goods prices are so high, owing to the goods famine that the peasants won't buy them, which means the peasants won't want to sell their grain. 3. Internal expenses of transport, storage, &c., are so high as to make the export of grain far less profitable than should be the case. The resolution demands the reduction of these expenses and a vigorous attempt in all sections of the Soviet to provide the peasant market with manufactured goods at lower rates. Reading between lines it is obvious that the peasant question is causing great anxiety to the Communist Party leaders. It is easy to talk about lowering rates and reducing expenses but the fact remains that Soviet industry--and transport--has now been raised to the highest pitch possible without large expenditure of capital which the Soviet Government does not possess."

Weather Forecasting

An editorial in Price Current-Grain Reporter for July 21 says: "According to an article by Dr. Charles L. Abbot of the Smithsonian Institute, in the latest issue of the weather review of the United States Weather Bureau, scientific long range weather forecasting may be a thing of the near future. Doctor Abbot's conclusions are based upon the fact that weather conditions are affected by the variation of solar radiation instead of atmospheric changes upon which the present day prognostications are made. Such a development conjures untold possibilities . In

farming alone, the effect would be stupendous, for notwithstanding all statistical figures available to the farmer, the control of crop production is still more or less a myth because of the treacherous tricks played by that great father of chance 'weather.' With that great factor no longer an unknown quantity, there would be no reason why farming could not become a much more exact science rather than the haphazard affair that it is. And what it would mean to the maritime industry in the saving of lives and dollars is inestimable. More power to Doctor Abbot and his experiments!"

Section 3

MARKET QUOTATIONS

Farm Products

July 27: Chicago hog prices closed at $13.85 for the top, bulk of sales $10.75 to $13.25; beef steers, heifers, good and choice $7.50 to $10.25, cows, good and choice, $6 to $8, common and medium, $4.25 to $6, low cutter and cutter $3 to $4.25. Vealers, medium to choice, $9.25 to $13.50; heavy calves, medium to choice $6.50 to $8; stocker and feeder steers, common to choice, $5.75 to $8.25; fat lambs medium to choice $12.75 to $14.85; yearling wethers, medium to choice $10.25 to $13; fat ewes, common to choice, $5 to $7.50; feeding lambs medium to choice, $11.50 to $14.

Virginia and Maryland Irish Cobbler potatoes mostly $2.75 to $3.75 per barrel in city markets; $2.85 f.o.b. East Shore points. Kansas and Missouri sacked Irish Cobblers $1.75 to $2 per 100 pounds carlot sales in Chicago; $1.15 to $1.30 to growers in Kaw Valley. Georgia Elberta peaches $1.75 to $2.25 per six-basket carrier and bushel basket in consuming centers; $1 to $1.50 f.o.b. Macon. North Carolina Hileys and Belles $1.50 to $1.75 in New York City. Maryland, Delaware and New Jersey Early apples 75¢ to $1 per bushel basket in eastern cities. South Carolina and Georgia Tom Watson watermelons 24-30 pound average, $200 to $300 bulk per car in terminal markets.

Grain prices quoted July 27: No.1 dark northern Minneapolis $1.62 1/8 to $1.70 1/8. No.2 red winter Chicago $1.43 1/4; St.Louis $1.42 to $1.43. No.3 red winter Chicago $1.41 1/2. No.2 hard winter Chicago $1.43 1/2. No.3 mixed corn Minneapolis 85 to 86¢. No.2 yellow corn Chicago 85 1/2 to 86¢; Kansas City 87¢. No.3 yellow corn Chicago 84 to 84 1/2¢; St.Louis 84 to 84 1/2¢; Minneapolis 88 to 89¢. No.3 white corn Chicago 84 1/2¢; St.Louis 85¢. No.3 white oats Chicago 44 1/4 to 44 1/2¢; St.Louis 44 1/2; Minneapolis 42 3/4 to 43 1/4¢; Kansas City 42 1/2 to 43 1/8¢.

Average price of Middling spot cotton in 10 designated spot markets declined 15 points, closing at 18.36¢ per lb. New York October future contracts declined 15 points, closing at 17.70¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	July 27,	July 26,	July 27, 1925
20 Industrials	156.73	155.71	136.50
20 R.R. stocks	113.90	113.81	99.22

(Wall St. Jour., July 28.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 24 Section 1 July 29, 1926.

IOWA AND FARM RELIEF

A Des Moines dispatch to the press to-day says: "Democrats of Iowa yesterday added their pledge to that of the Republican party, made a week ago, to continue the fight for farm-aid legislation. In State convention here, the minority party made the agricultural plank one of the chief declarations in its platform and reiterated determination of Iowa to support the principle of agricultural aid through facilitating export marketing of surplus crops...."

JOSEPHUS DANIELS ON AGRICULTURE

A Raleigh, N.C., dispatch to the press to-day says: "Farmers of the Nation should 'awake out of their sleep and go into politics red-handed' in the opinion of Josephus Daniels, former Secretary of the Navy. Addressing the annual farmers' convention at State College at Raleigh, July 27, he declared that the farmers must demand their rights if they expected to obtain them. 'There never was a time when farmers had such negligible influence in Government as now,' Mr. Daniels asserted, 'and there never was a time when the growers of staple crops were so far removed from prosperity.'...."

FIRST COTTON BALE AUCTIONED

A New York dispatch to the press to-day says: "Spirited bidding on the floor of the New York Cotton Exchange after the close of trading yesterday featured the auction of the first bale of the South Atlantic new cotton crop, which was knocked down to Paul Pflieger for 80 cents a pound, or $400. Bidding started at 50 cents a pound and rapidly advanced. The proceeds of yesterday's sale will be given to New York City charities and the bale will be shipped to Liverpool where it will be reauctioned for charity. The cotton was grown on the plantation of J. C. Getzen, of Webster, Fla."

LONDON WOOL SALES

A London dispatch to-day reports: "The wool auctions closed yesterday with offerings of 12,588 bales. There was a fair demand at unchanged prices and the auctions closed firm. Compared with the previous close, fine greasy merinos and fine crossbfeds were unchanged, while medium and coarse grades were unchanged to 5 per cent cheaper. Cape of Good Hope and Natal wool was also unchanged to 5 per cent lower, with Punta Arenas unchanged to 5 per cent dearer, and the inferior grades 5 per cent down. The Continent took 53,000 bales; the home trade, 43,000; America, 1,000, and 71,000 were held over or not offered."

WHEAT RECORD

A dispatch from Berwick, Pa., to the press to-day states that what is believed to be a new national record for wheat production was established at Berwick when four acres of wheat, grown by John Heavner, averaged fifty-eight bushels to the acre at the threshing July 27.

Section 2

Agricultural Shows Abroad

An editorial in Country Life (London) for July 17 says: "The Royal Show is, without any qualification whatever, the most important event in the agricultural year. This does not, in any sense, minimize the value of the more important county shows, some of which are known to exert a profound influence, nor does it mean that our ideals or support of a national exhibition are yet perfect. The Nation has yet to realize the true value of its agricultural population, and in this respect we compare very unfavorably with some of our colonies. Thus, the Royal Agricultural Society of New South Wales has a show yard at Sydney containing permanent buildings to the value of nearly half a million sterling, and the attendances recorded are up to six hundred thousand; whereas we rest content with round about the one hundred and twenty-five thousand mark. Notwithstanding all this, the Royal is supreme in its own sphere. Its distinctive features make one realize more and more that the livestock industry is the backbone of British agriculture. It is the event which, beyond all others, concentrates on one ground all the registered breeds of livestock in the kingdom, as well as placing on view specimens of every conceivable type of agricultural implements and machinery. It can hardly be calculated what this means for agriculture, but it requires little stretch of the imagination to see that the peripatetic visits to different parts of the country carry with them a strong educational influence. The Royal Agricultural Society has for long incorporated 'Practice with Science' as its distinctive ideal; but, in the main, the show itself is concerned with the exhibition of practice made perfect. It is, however, being more and more realized that breeding is both a science and an art. The one without the other would not advance us very far in these days. The breed pioneers who laid the foundations of our modern improved breeds were denied much of the knowledge which is ours, yet they possessed the vision of an ideal which is now being increasingly realized....."

'arm Conference 'igures

An editorial in Commerce and Finance for July 28 says: "At Des Moines, Iowa, last week were staged an agricultural conference and a political convention that sort of merged into or swallowed each other, to the confusion and embarrassment of both. The Corn Belt Committee of the American Council of Agriculture, made up of representatives from 28 farm organizations of the North Central States, arraigned the Republican administration and the leaders of both the great political parties for the defeat of the McNary-Haugen and other farm relief bills, assailed Secretary of the Treasury Mellon, Secretary of Agriculture Jardine and Secretary of Commerce Hoover, demanded an investigation of the influences that have been working against giving agriculture a place in the protective tariff sun, and declared emphatically for 'protection for all or protection for none.' The three Secretaries were censured for opposing any moves to make the tariff effective for agriculture on the ground that to do so would place American industry at a disadvantage in competition in the markets of the world. This resolution was passed: 'We favor the removal or modification of unfair and excessive tariff duty that now affords shelter for price-fixing monopolies. It is idle to refer to manufactured articles on the free list as benefiting the farmer when the materials entering into their manufacture are highly and excessively protected.' Whatever of good may have been contained in this left-handed and blundering attack on the tariff was neutralized to a large degree by a quite fantastic array of figures as to the cost of raising various farm products, which was brought forth by its cost finding committee. This committee's report set forth that in

Illinois the expense of producing corn, with a fair profit of 5 per cent included, was $1.43; in Nebraska, $1.40; Minnesota, $1.41; North Dakota and Wisconsin, $1.42. Other costs in Iowa, allowing the same profit, were reported as: Oats, 79 cents; wheat, $2.49; hay, $1.44; hogs, $16.32; veal, $17.82; wool, 65 cents; lambs, $20.45; chickens, 28 cents; butterfat 98; eggs, 61. An average 160-acre farm was the area upon which the compilation was based and it was capitalized at $148 an acre with an average interest of 5 per cent or $1,184....The total income necessary for the 5 per cent fair return, as outlined, is $6,601.44 against what was said to be a present income of $2,998.44. The figures are grossly at variances with those of the Department of Agriculture, which in its latest monthly bulletin analyzes reports from some 6,000 farms and sets the average cost of raising corn at 69 cents a bushel, wheat $1.32, and oats 51 cents... That portion of the press that has been most unreasoning in denouncing the various farm relief plans offered in Congress has been denouncing the alleged revolt of the farmer against the tariff, asserting that he is himself chiefly responsible for his low estate through wild land speculation six or seven years ago. But others also have been indulging in wild land speculations. Speculation in farm land has been a bagatelle as compared with the speculation in urban lands in recent years. There is no gainsaying that the manufacturers of the country are receiving under the tariff aid quite as real as the aid the farmer seeks by price stabilization. There is no gainsaying that there were, as the Department of Agriculture reports, 479,000 fewer people on our farms on January 1, 1926, than there were a year previous. But the country in general and the agricultural community in particular must learn this fundamental truth--there is no such thing as conferring advantages on all. If it could be done, there would be advantage for none, for advantage, by its very nature, is special only to be enjoyed by some, to the disadvantage of others....If the farmer desires fair play, there is but one direction in which he may secure it, and that is by doing away with advantage for any--by rooting out entirely the stupid trade obstruction that is destroying him."

Farm Instruction in Florida

An editorial in The Florida Times-Union for July 24 says: "During the week of August 9-14 Florida farmers and fruit growers will be taking instruction in the college of agriculture of the University of Florida. It will be the fifth annual gathering of this character. Not all the farmers and fruit growers in Florida will be there, but the number attending will be quite sufficient to indicate the general desire for more and better knowledge in matters pertaining to the varied lines of farming and fruit growing in this State. A glance at the official program of this fifth annual Farmers' and Fruit Growers' Week will make it evident that practically every phase of agriculture, as engaged in throughout this State, will be given consideration, will be subject of study with a view to improvement in methods and practices....It is very evident that the extended and varied purposes of this event are designed to be of very great benefit. They are summed up in the one phrase above quoted--to 'promote better agricultural conditions throughout Florida.' Whatever serves to do this is to be commended...."

French Living Costs

A Paris dispatch to the press of July 26 states that an indication of the ever-mounting cost of living in France is contained in figures recently published by the Ministry of Labor. These show that, taking 100 as the basis of the cost of living as of July, 1914, the wholesale price of forty-five articles of daily necessity was 664 for April, 1926; 702 for May, and 754 for June. Foodstuffs as compared with 100 for July, 1914,

were 561 for April, 597 for May and 646 for June. Manufactured goods, twenty-five articles, showed 753, 794 and 848 for the same periods. Textiles, 876, 933 and 971.

Lowden's Agricultural Dicta

An editorial in The Journal of Commerce for July 28 says: "Among the most surprising of the many discoveries made by wandering American statesmen returning from Europe is that of Mr. Lowden, ex-Governor of Illinois and farm spokesman of the Middle West. He has arrived singing praises of Germany's agrarian protective duties....The moral of this is, according to Mr. Lowden, that we in the United States must follow Germany's example. Not slavishly, of course, since he admits that conditions differ, but we must 'contrive some way' to protect our agriculture as Germany protects hers. What way? Not by the way of duties levied on imported foodstuffs. That is the German method, and Mr. Lowden might reflect that its effectiveness is a testimonial to Germany's failure to prevent her industry from outstripping her agriculture. With all the desperate efforts of the Prussian big landowners and the ardent nationalists bent on rescuing their country from dependence on foreign food supplies, the industrialization of Germany grew apace during that quarter century to which Mr. Lowden refers. How would Mr. Lowden explain the purpose of the blockade of Germany during the war? What was the prime cause of her military prostration? Hunger, failure of her agriculture to support her industries and her army....Mr. Lowden may be thinking only in economic terms, to be sure, but still it would be interesting to know with whom he has talked. Where did he obtain accounts of the happy, contented state of the German farmer? The complaints that emanate from Germany's rural districts when translated might have come out of the American West. Prices below world levels, credits insufficient, debts crushing, demands for subsidies, calls for more loans. How does Mr. Lowden explain these things? He could hardly have failed to hear about them...."

Oregon-California Land Grant

An editorial in American Forests for August says: "On the tenth day following the adjournment of Congress, the President signed a bill which, in effect, commits the Government to paying taxes on some two and a half million acres of public lands, as a measure of relief to the people of eighteen counties of Oregon. The bill was passed by both the House and Senate over the adverse recommendations of the Department of the Interior and the Bureau of the Budget. The legislation is the outgrowth of the old Oregon-California land grant....The act of 1916 revesting the lands in the United States was clearly defective in that it provided no conservation plan for the sale and cutting of timber from the sections classified as forest land. In the bill just passed, Congress had an excellent opportunity to correct that mistake, but it did not do so, apparently because local sentiment is more interested in cash relief than in conserving the forest productivity of the lands. The result it seems likely will be that some forty or fifty billion feet of the finest timber which Uncle Sam owns in the West eventually will be slashed with no regard to regulated cutting, future protection or reforestation. Without questioning the equitable nature of the claims for relief made by the counties, the legislative method of accomplishing it, as represented by the acts in question, may well be questioned on the grounds that they will establish the dangerous precedent of the Government paying taxes on public lands, sacrificing natural resources in order to do so, and failing to provide a constructive plan of conservative plan of conserving the timber productivity of public forest property. The wiser course to follow in effecting relief for the counties entitled

to it would have been to transfer to the adjacent national forests such of the lands as are appropriately located and to provide that they be paid for at a sum equal to their sale figure as prescribed in the railroad grant. These payments, together with receipts from the sale of timber cut under the forestry regulations of the Forest Service, would create a reimbursement fund against which immediate advances for the relief of the counties could be charged. Regulations for the sale and cutting of timber on lands not susceptible to inclusion in national forests could be provided for in the same bill. This procedure would give immediate relief to the counties and assure the cutting and subsequent protection of the Government's timber under methods that would preserve the productivity of these valuable forest lands."

Section 3
MARKET QUOTATIONS

Farm Products July 28: Virginia and Maryland East Shore Irish Cobblers $3.75 to $4.50 per barrel in eastern cities; $3. to $3.25 f.o.b. Georgia Elberta peaches firm, closing at $1.75 to $2.50 per six-basket carrier and bushel basket in consuming centers; $1.35 to $1.50 f.o.b. Macon. South Carolina and Georgia Tom Watson watermelons, 24-30 pound average, 20¢ to 40¢ unit basis in eastern markets; $175 to $275 bulk per car in New York City. Turlock Section Salmon Tint cantaloupes $1.75 to $2.50 per standard 45 in city markets. Arizona Salmon Tints $1.25 to $1.75 North Carolina Green Meats ranged 75¢ to $1.

Chicago hog prices closed at $13.75 for the top, bulk of sales $10.50 to $13; beef steers choice $9.25 to $10.65; heifers, good and choice $7.50 to $10.35; cows, good and choice, $6 to $8; low cutter and cutter $3 to $4.25; vealers, medium to choice $9.25 to $13.50; heavy calves medium to choice, $6.50 to $8, stocker and feeder steers common to choice, $5.75 to $8.25; fat lambs medium to choice, $12.75 to $14.85; yearling wethers, medium to choice, $10 to $12.25; fat ewes, common to choice, $5 to $7.50; feeding lambs, medium to choice $11.50 to $14.

Grain prices quoted July 28: No.1 dark northern Minneapolis $1.68 1/8 to $1.69 1/8. No.2 red winter Chicago $1.44 to $1.45; St.Louis $1.42 to $1.43 1/2; No.2 hard winter Chicago $1.43 3/4 to $1.45; Kansas City $1.35 1/2 to $1.43 1/2; No.2 mixed corn Kansas City 84 to 85¢. No.3 mixed corn Minneapolis 84 to 85¢. No.2 yellow corn Chicago 87 to 87 1/2¢; Kansas City 88 1/2 to 89 1/2¢; No.3 yellow corn Chicago 86¢; St.Louis 85 1/2¢; Minneapolis 87 to 88¢. No.3 white oats Chicago 43 1/2 to 45 1/4¢; St.Louis 44 3/4¢; Minneapolis 42 3/8 to 42 7/8¢.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 38 1/4¢; Philadelphia 41¢; Boston 41¢.

Middling spot cotton in 10 designated spot markets advanced 12 points closing at 18.48¢ per lb. New York October future contracts advanced 18 points, closing at 17.88¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price,	July 28,	July 27,	July 28, 1925
20 Industrials	159.33	156.73	135.62
20 R.R. stocks	114.45	113.90	99.75

(Wall St. Journal, July 29.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 25 Section 1 July 30, 1926

NEW YORK GRAIN MARKET

The New York Times to-day reports: "The establishment of the New York grain futures market is the result of changing conditions in the country's business and the necessities of European buyers, Axel Hansen, Chairman of the grain futures committee of the New York Produce Exchange, declared yesterday at a luncheon given by the Board of Managers of the exchange, preparatory to the opening of trading in grain futures on Monday. President B. H. Wunder presided and E. R. Carhart and Elliott T. Barrows, both former Presidents, were the other speakers. 'The New York grain futures market,' said Mr. Hansen, 'will not replace the western futures markets, which have served the grain trade so well for years. But the primary markets heretofore have been identical with the milling markets, and great changes have taken place and an entirely different situation has been developing in the last fifteen years. Changes and improvements in transportation, for instance, as well as the vast development of Buffalo.

'Because of the financial difficulties abroad, European buyers have been operating on a hand-to-mouth basis. They have been considering hedging cash grain and hedging from their standpoint in western markets is unsatisfactory. But with our new market in operation, importers abroad will be able to hedge safely here. In fact, there is no reason of which I am aware for New York not becoming the great international market.'"

RADIO SITUATION

Secretary Hoover expressed the belief yesterday, according to the press to-day, that serious complications in the radio broadcasting situation would be averted by the efforts of recently formed organizations of broadcasters and listeners. There was evidence, he said, that efforts of these organizations were having a decidedly favorable effect. He expressed the hope that they would go ahead with their work. Secretary Hoover was of the opinion that if voluntary cooperation through the efforts of the organizations now being formed was kept up for six months the broadcasting problem could be solved.

MILK RECORD

A New York dispatch to the press of July 29 reports: "The Jersey cow, Killingly Torono Lass, has hung up another world's record for production, according to an announcement made July 28 by the American Jersey Cattle club, of New York. In 305 days of a test begun when she was 4 years and 4 months old, this cow yielded 882.48 pounds of butterfat in 15,556 pounds of milk, which is a record unapproached by other cows of her age, the announcement says."

INDIANA WHEAT

An Indianapolis dispatch to-day reports that the 1926 wheat yield of Indiana will exceed crop forecasts and the total yield will be greater than that of 1925, the agricultural extension department of Purdue University reports. Not only will the aggregate yield be larger, notwithstanding a smaller acreage, but the quality is the best produced in several seasons.

Section 2

Agricultural Unrest

An editorial in The Country Gentleman for August says: "West of the Wabash resentment against the East runs wide and deep. It is no temporary grievance and must be reckoned with as one of the most powerful forces affecting national affairs. This resentment, present for years in more or less active form, has been piling up steadily since the 1920 deflation. To-day it is rife from Indiana to the Rockies and from the Dakotas to Texas, and more than any other one factor is shaping the thinking of the Middle West on national matters. A feeling of such dimensions and intensity must have a source. And that source, as the Middle West sees it, is in eastern domination of national policies that has worked and is working to the detriment of the Middle West. It believes that the East has secured advantages for both its industries and its labor and that it is unwilling to grant the Middle West any offsetting privileges. These advantages, it feels, are enabling the East to meet its after-war and deflation adjustments with high prices and high wages, while the Middle West has to meet its heavy share of readjustment with disproportionately lower returns. That is perhaps the way the Middle West's account with the East would foot up, but a good many separate items go into it. The tariff is one, immigration restriction is another. The Middle West realizes that the first of these is a big help to American industry and to some farm groups, and that both benefit labor. It feels that both probably are desirable American policies and it doesn't really wish to overturn either; but it does want something that will balance up the score. For the Middle West is a surplus-producing region and the tariff is of little service to its major products--corn, wheat, hay, hogs and cattle. But the Middle West has to pay tariff margins on most of what it buys. Immigration restriction has hit the Middle West harder than anybody foresaw. It has helped to raise and keep up labor costs, which are reflected in the prices of what the Middle West buys. And throttling down immigration has caused the industrial centers, with their higher wage scales, to drain off much of the labor once available in agricultural sections, while raising the pay standards of what remains. To these is added the Middle West's geographical disadvantage in transportation. It is farther from tidewater than any other great producing section in the world. It has no alternative transportation, such as the East and the West Coast have in their seaboard facilities and the Panama Canal, with which to hold down freight rates....Legislation alone, even of the sort that the Middle West has wanted recently, will not heal the breach. Better understanding is needed--of the East for the West and of the West for the East. Then whatever balancing up of advantages is required to bring the Middle West to a basis of parity and amity with other parts of the country may be determined, and whatever handicaps are holding back its development and prosperity may be removed as far as possible...."

Air Transport in Europe

Commerce Monthly (New York) for August contains an extensive article on air transport in Europe. This says in part: "Europe is to-day criss-crossed with air lines. Airplanes are operated daily or more frequently on regular schedule, between nearly all the capitals and principal business centers of the Continent. The business man, the statesman or the tourist can travel all over Europe by air effecting great savings in time and at approximately the same rates as first-class railroad charges. Great rivalry exists between the different countries in the exploitation of international lines while all internal traffic is usually restricted to nationals. The larger nations are pushing their international lines further and further afield to establish quick communication

with regions where they wish to enlarge their political and commercial influence and advertise national aircraft products. Germany affords the key to the present European situation. With the air forbidden to purely military craft, the Germans have turned their aeronautical energies to commercial aviation in the growing belief that through aviation they can regain much of their former political and commercial prestige. Although handicapped by allied restrictions Germany has established itself in a dominant position in European aeronautical affairs and recently successfully negotiated the removal of the last of the allied limitations on purely commercial aircraft."

Bank Failures in the South

An editorial in Manufacturers Record for July 29 says: "A large number of banks belonging to a chain operating in Georgia and Florida, depending entirely for financial cooperation upon one company in Atlanta, which was organized years ago to be the financial agent of all of this chain of banks, recently failed. They were mostly small banks of from $15,000 to $20,000, or somewhat larger amount of capitalization. Having no other financial connections than the one Atlanta trust company, many of these banks had to close instantly when that trust company failed, though many will probably reopen shortly. The importance of these bank failures has been greatly magnified. The situation in Florida and Georgia is, on the whole, sound, due to the steady progress being made in the substantial things of railroad expansion, railroad traffic, manufacturing progress and agricultural advancement. The whole situation in these States is so sound that optimism, instead of pessimism, should prevail throughout the States and on the part of all people doing business with these States. In view, however, of the general fear that the failure of these small chain banks might be of significant importance when judged by those who do not know the full situation, the Manufacturers Record, in reply to a request for their views on the outlook in their respective States, received telegrams from bankers, commercial organizations and leading newspapers showing the soundness of the situation in these States and the great progress which they are making, and is publishing a symposium of the replies. These telegrams are of unusual interest. They are optimistic to the extreme. Their optimism is based on fundamentally sound conditions and on the spirit of enthusiasm and activity which prevails throughout these States..."

Foreign Trade

An editorial in The Wall Street Journal for July 29 says: "Can we compete abroad? This question was suggested by the publication of the foreign trade figures for the fiscal year. Compared with the previous year there was a loss in value of exports and a large increase of imports. The net result was that our export balance which in the preceding year was over $1,040,000,000 had shrunk to less $287,000,000. Such a sensational change might well occasion the fear that we were in danger of losing our position in the export trade. An analysis of the year's trade published in these columns showed the main reason for the change in the situation. But what of the future? Will we sell less goods abroad now that our competitors are beginning to recover. Will the lower wage scales of those other countries give them the advantage over us? Many have feared that and have had much to say about cheaper labor making competition impossible or at least more difficult for us. But broader visioned men have no such fear....Why is it that in that year we exported $400,000,000 worth of automotive goods, $158,000,000 of chemicals, $78,000,000 of agricultural machinery, and $85,000,000 of electrical goods? Why is it that wherever lumber is cut American made saws and tools are used, that in every civilized country of the world our typewriters are to be found, and that

specialty trade is increasing? It is because we are learning to give service. And in proportion as we give it so will we be able to compete abroad."

Fruit Problems An editorial in The Pacific Rural Press for July 24 says: "Our sincere sympathy and admiration goes out to the pear growers and the apple growers; particularly the pear growers. About everything that could happen in the way of trouble has fallen upon pears this year. After a number of good years the avalanche has arrived. There is a tremendous and widespread crop. There is a big hangover of canned pears. And now comes the nervousness of the British regarding sprayed fruits. Surely the trouble cup of the growers runneth over. Whether the British distrust is fair, or unfair, necessary or unnecessary, is not for us to discuss now. Anything done in the name of health comes ahead of business interest. The most autocratic powers ever delegated by civilized peoples have been given to health officials. Health ahead of business is the price of self respect and the mark of humanity. And so our national Bureau of Chemistry, jealous of the good name of the United States, has ordered super-care; and our State Department of Agriculture, jealous of the good name of California, has put in force the precautions of the national body; and our California growers, jealous of their own good name and of the fair name of California and the United States, have done a magnificent job in carrying out minute precautions without considering whether the alarm of the British is justified or not....Possibly we may find in the long run that wiping our apples and pears is a good investment, whether there be any spray residue or not. Long ago the citrus growers discovered the value of carefully washed fruit. At least one prominent pear grower in this State has been wiping his pears for several seasons and counts it a profitable investment. Wiping removes any dust that may have settled on the fruit and gives it a luster and polish that attracts the buyer's eye. The troubles of the pear growers are undoubtedly temporary. Before another season arrives we can surely iron out many of the present wrinkles...."

Game Surplus Problem An editorial in Outdoor Recreation for August says: "That there should be such a thing as surplus game in this country in view of its general reduction in numbers and the desperate efforts of conservationists to maintain a supply, seems like a paradox. Yet in certain places some kinds of game have increased beyond the food capacity of its range and furnishes a real problem in administration. Writing in 'American Game,' the Bulletin of the American Game Protective Association, Major E. A. Goldman of the U. S. Biological Survey, cites several instances of this difficulty and discusses various methods and plans of meeting such a situation when it arises. The Wainwright, Canada, buffalo herd has grown beyond the capacity of its range, which is a fenced preserve, and the Canadian Government found it impossible to keep the numbers down to range capacity by selling to parks and disposal of meat and skins, so has adopted the plan of making annual transfer of a large number of live animals to the wild buffalo range at the Peace River. Even the antelope, rare as it is generally, has increased in certain places in Wyoming to such an extent as to cause complaints from farmers. The Yellowstone Elk herd furnishes an example of long standing of over-population of a given range....The Kaibab deer herd of northern Arizona, about which there has been so much controversy, is a typical example of an overstocked restricted deer range. ...Maintenance of the herds of game in parks, national forests and other

restricted and defined areas at a level comparable with the food supply is an administrative problem and should be so dealt with. Hunting can not legally be done in parks but in adjacent open country and in national forests can be employed as a regulatory measure and permitted so far as needed to prevent the accumulation of a surplus."

Section 3
MARKET QUOTATIONS

Farm Products

July 29: Chicago hog prices closed at $13.75 for the top, bulk of sales $10.40 to $13; beef steers choice, $9.25 to $10.65, good $8.50 to $10; heifers, good and choice, $7.50 to $10.35, common and medium $5 to $8.50; cows good and choice, $6 to $8, low cutter and cutter $3 to $4. Vealers, medium to choice, $9.25 to $13.50; heavy calves, medium to choice, $6.50 to $8; stocker and feeder steers, common to choice, $5.75 to $8.25; fat lambs, medium to choice $12.75 to $14.85; yearling wethers, medium to choice, $10 to $12.75; fat ewes, common to choice, $5 to $7.50; feeding lambs, medium to choice, $11.50 to $14.

Virginia and Maryland Irish Cobblers sold at $3.50 to $4.50 per barrel in eastern cities; $3.50 to $3.75 f.o.b. East Shore points. Kansas and Missouri sacked Irish Cobblers $1.70 to $1.90 per 100 pounds carlot sales in Chicago; mostly $1.25 to $1.35 to growers in Kaw Valley. Georgia and South Carolina Tom Watson watermelons 24-30 pound average, firm at $150 to $275; $125 to $135 f.o.b. Macon, Ga. Georgia Elberta peaches firm at $1.75 to $2.50 per bushel basket and six-basket carrier in consuming centers; $1.35 to $1.50 f.o.b. Macon, Ga. Turlock Section Salmon Tint cantaloupes $1.50 to $2.50 per standard 45 in city markets. Arizona Salmon Tints $1.25 to $1.75.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 38 1/4¢; Philadelphia 41¢; Boston 41¢.

Grain prices quoted July 29: No.1 dark northern Minneapolis $1.62 5/8 to $1.71 5/8. No.2 red winter St.Louis $1.42 to $1.43. No.2 hard winter Chicago $1.44 1/2 to $1.45 1/2; Kansas City $1.35 to $1.43. No.3 mixed corn Chicago 82 3/4¢; Minneapolis 84 1/2 to 85 1/2¢. No.2 yellow corn Chicago 85 1/4 to 85 3/4; Kansas City 88 1/2 to 89 1/2¢. No.3 yellow corn Chicago 83 3/4 to 84¢; Minneapolis 86 1/2 to 87 1/2¢; St.Louis 84 1/2¢. No.3 white corn Chicago 84 to 84 1/4¢. No.3 white oats Chicago 43 to 44 3/4¢; Minneapolis 42 1/8 to 42 5/8¢; St.Louis 44¢.

Middling spot cotton in 10 designated spot markets advanced 5 points, closing at 18.53¢ per lb. New York October future contracts advanced 2 points, closing at 17.90¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	July 29,	July 28,	July 29, 1925
20 Industrials	160.58	159.33	134.48
20 R.R. stocks	114.20	114.45	99.31

(Wall St. Jour., July 30.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 26 Section 1 July 31, 1926

GRAIN RATE CUT REFUSED

An Associated Press dispatch from Chicago to-day says: "Six railroads which haul much of the Middle West's grain and flour, refused yesterday to follow the lead of the Minneapolis & St.Louis road in reducing rates on the two commodities from Minneapolis to Chicago and the Atlantic seaboard by 6 cents a 100 pounds. The reduction on all-rail grain and flour shipments restores Minneapolis to its favorable position as a milling center and insures the increased manufacture there of grain now shipped to Chicago and eastern points for milling. An attack on the new schedule was at once started, however, by grain exchanges at Kansas City, Chicago, Duluth, Omaha, St.Joseph and Atchison, the Kansas City Millers Club and the Southwest Millers League, which will protest to the Interstate Commerce Commission on the grounds that the reduction is unfair to their territory. The railroads at the conference included the Chicago, Burlington & Quincy, the Chicago, Rock Island & Pacific, the Chicago & Northwestern, the Chicago, Milwaukee & St.Paul, the Chicago Great Western and the Chicago, Minneapolis & Sault Ste. Marie."

GRADE MEAT FOR RAILROAD

The New York Times to-day says: "The Pennsylvania Railroad is henceforth to serve in its dining cars only meats and poultry guaranteed by the Government as of 'blue ribbon' grade. The railroad says that its chief purpose in establishing this policy is to cooperate with the Department of Agriculture and the leaders of the meat industry in encouraging the breeding of high-grade cattle....The arrangements for Government inspection were suggested to the Pennsylvania Railroad in an article by Alvin H. Sanders, an authority on cattle breeding. Mr. Sanders is editor of The Breeders' Gazette of Chicago. The railroad has assured Mr. Sanders of its willingness to aid in the movement for raising meat standards generally, by adopting Government inspection, notwithstanding its own high specifications of quality."

AGRICULTURAL IMPLEMENT EXPORT

Exports of agricultural implements from the United States established a new record during the last fiscal year when they reached $90,029,469, an increase of $27,323,520 or more than 43 per cent over the year ended June 30, 1925. Wheel tractors, the Commerce Department yesterday announced, comprised more than one-third of the total, amounting to 58,546, valued at $33,492,676. (Press, July 31.)

RUSSIA'S CEREAL CROPS

An Associated Press dispatch July 29 from Moscow states that Russia's coming cereal crops are estimated at 78,000,000 tons, compared with 59,000,000 tons last year, according to data given out July 28 by the Central Statistics Administration.

Section 2

Better Beef Association

An editorial in The Breeder's Gazette for July 29 says: "At the conference held at Kansas City last week it was decided to undertake the organization of a National Better Beef Association, and 9 men were chosen to carry out that purpose....Within 2 hours after their selection the board met and organized itself by electing Oakleigh Thorne chairman, and B.H.Heide secretary pro tem. Articles of association and by-laws were considered, agreed upon, and application is being made this week for permission to organize under the laws of the State of Illinois. Another meeting of the board has been called to be held at Des Moines, Ia., during State fair week, at which the important matters relating to further procedure will be taken up. It thus appears that no time is to be lost in this effort at arousing the interest of American producers and consumers in the matter of expanding the distribution of good beef from good beef cattle. The conference that decided upon this important step was one of the most representative ever assembled in the country. It included breeders, feeders, packers, ranchmen, stockyards and railway officials, agricultural college luminaries and Federal Department of Agriculture heads. The matter of Government grading was the dominant topic of the hour, and Secretary Jardine's action in placing the service of graders at the disposition of killers was cordially approved by a majority of the delegates present. The Gazette congratulates the country at large upon this action. It touches the very foundations of the national welfare. It is big with possibilities for good in many different directions. It has been so constituted that the interests of all growers of well-bred cattle of the beef types are to have attention, and deserves generous support...."

Wheat Situation in Canada

An editorial in The Nor'-West Farmer (Winnipeg) for July 20 says: "We consider the wheat situation stronger than it has been for months and can not see why this year's crop should not sell at a substantially higher average than did the crop of 1925. The market is very sensitive and more inclined to be influenced by bull than by bear information. It is a practical certainty that if the condition of the Canadian crop does not improve we are due for one of the largest price movements that has been seen for some time. If the Canadian crop runs no higher than the July first estimate of the Bureau of Statistics the world will be in the position of not being able to secure its usual proportion of wheat from the crops of the northern hemisphere, which condition, combined with the extremely small carry-over, will make wheat tight and we may see prices much higher than last season. Remember, we are not saying that this is going to happen. There are several big 'ifs' to be taken into account, but if crops here and in the United States do not show marked improvement almost immediately, assuming the official estimate of them is approximately correct, the world is going to find itself short of wheat, and we are likely to see the greatest bull market since the winter of 1924-25. The crop situation elsewhere is almost as bullish as on this continent."

Wool Market

A Boston dispatch to the press of July 30 says: "There is more business and more optimism on the wool market. More interest is shown by the mills, back of this improvement is the favorable development on the goods market, and also the general reaction from the definite formulation and adoption of a woolen publicity campaign. There is a stronger demand for wool, but no general changes in prices for the week. The manufacturers are looking for fine and fine medium French combing wools. The price paid by top makers for some of this wool is $1 to $1.05. Choice twelve months Texas wool has sold close to $1.10...."

Section 3
MARKET QUOTATIONS

Farm Products

July 30: Chicago hog prices closed at $13.80 for the top, bulk of sales $10.50 to $13; beef steers choice, $9.75 to $10.65; heifers, good and choice, $7.50 to $10.35; cows, good and choice $6 to $8; low cutter and cutter $3 to $4; vealers, medium to choice $9.25 to $13.50; heavy calves medium to choice, $6.50 to $8; stocker and feeder steers, common to choice, $5.75 to $8.25; fat lambs medium to choice, $12.75 to $14.85; yearling wethers medium to choice, $10 to $12.75; fat ewes, common to choice $5 to $7.50; feeding lambs medium to choice, $11.50 to $14.

Virginia Irish Cobbler potatoes 75¢ to $1.25 higher at $4 to $4.50 per barrel in city markets; $3.75 to $4 f.o.b. East Shore points. Kansas and Missouri sacked Irish Cobblers 25 to 30¢ higher in Chicago at $1.70 to $1.85 per 100 pounds, carlot sales, $1.25 to $1.35 to growers in Kaw Valley. Georgia Elberta peaches slightly higher at $1.75 to $2.50 per six-basket carrier and bushel basket in consuming centers; $1.35 to $1.50 f.o.b. Macon. California cantaloupes lower. Turlock Section Salmon Tints $1.50 to $2.25 per standard 45 in city markets. South Carolina and Georgia Tom Watson watermelons 24-30 pound average, 20 to 40¢ unit basis in eastern markets; $175 to $250 bulk per car in New York City.

Grain prices quoted July 30: No.1 dark northern Minneapolis $1.63 1/2 to $1.72 1/2. No.2 red winter Chicago $1.47 to $1.47 1/2; St.Louis $1.42 to $1.43. No.3 red winter Chicago $1.44 1/4. No.2 hard winter Chicago $1.47 to $1.47 3/4; St.Louis $1.42 1/2. No.2 mixed corn Chicago 85 1/4¢. No. 3 mixed corn Chicago 82 1/2 to 83 1/2¢. No.2 yellow corn Chicago 85 to 86¢; Minneapolis 84 to 85¢. No.3 yellow corn Chicago 84 1/4 to 84 1/2¢; St.Louis 85 1/2 to 86¢; Minneapolis 86 to 87¢. No.3 white corn St.Louis 86¢. No.3 white oats Chicago 42 1/2¢ to 44 1/4¢; St.Louis 43 to 43 1/2¢; Minneapolis 41 5/8 to 42 1/8¢.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 38¢; Philadelphia 41¢; Boston 41¢.

Middling spot cotton in 10 designated spot markets declined 19 points, closing at 18.34¢ per lb. New York October future contracts declined 20 points, closing at 17.70¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	July 30,	July 29,	July 30, 1925
20 Industrials	160.18	160.58	134.16
20 R.R. stocks	114.99	114.20	99.08

(Wall St. Jour., July 31.)

DAILY DIGEST

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Vol. XXII, No. 27 Section 1 August 2, 1926

NATIONAL POULTRY EXCHANGE

The New York Times to-day reports that the Attorney General of New York will confer at New York this morning with representatives of the United States Department of Agriculture with a view toward extending to every shipping point in the country the influence of an exchange for live poultry he proposes to organize. Mr. Ottinger indicated last night that cooperation of the Federal authorities in this development was assured. His plans call for a reorganization of the live poultry market in New York through the creation of an exchange to regulate prices and obtain better conditions for the consumer, including the inspection of poultry.

FOOD CONVOYS IN NEW JERSEY

A Woodbury, N.J., dispatch to the New York Times to-day reports: "Food convoys, common only in wartime or in other emergencies, are being resorted to again in an effort to get truck loads of fresh produce from South Jersey fields and orchards through the tangle of traffic which clogs the main State highways on Sunday nights....The experiment was tried out as a result of a conference of farmers of Gloucester County held last week at the office of County Farm Agent George E. Lamb, in the Court House. Sergeant Kulp and State troopers stationed in this district attended...Last night by advance arrangement the farm trucks assembled in a line along the road at North Woodbury. At 9 o'clock the troopers cleared a lane for the trucks and escorted them through the 'neck of the bottle' at Westville over the bridge at Big Timber Creek and beyond the point of traffic congestion."

FARMER LOANS

Farmers of the Middle West depend upon borrowed capital more than those of any section of the country, the National Bureau of Economic Research discovered in its investigations of agricultural income, the results of which are given in its latest report on income in the various States as well as its sources of distribution. The West North Central States alone account for 39 per cent of the total bank loans to farmers; the East North Central division comes next with about 19 per cent of the total, so that the two divisions together represent about 58 per cent of the total bank loans. The farmers of the country paid more than a half billion dollars in interest on loans in 1920 and $479,365,000 in 1921, according to the bureau.

LIVESTOCK RATES

The press of July 30 states that the Interstate Commerce Commission has found not justified proposed routing restrictions of various western railroads, which would have resulted in increased rates on livestock between points in Louisiana and Texas and between Kansas and Oklahoma points. The new schedules, which were under suspension, were ordered canceled on or before September 11.

Section 2

Beef Grading in Canada

An editorial in the Nor'-West Farmer for July 20 says: "In the United States an organization is being formed to promote a broader market for well finished cattle of the beef breeds....In view of the general prosperity prevailing and the well known habit of people with money demanding and paying for the best in practically all lines, it would seem that a campaign to increase the use of good beef would have some effect in creating demand for the better product. At any rate the effort is worth making, here as well as in the United States."

Business Cycle Study in Preparation

A New York dispatch to the press of July 30 states that under the direction of Wesley C. Mitchell, the National Bureau of Economic Research, Inc., has studied the business cycle in seventeen leading countries and its findings soon will be compiled and published by Willard L. Thorpe. The new work will show that the United States between 1790 and 1926 enjoyed one and one-half years of prosperity for each year of depression. Canada is the only nation that presented a better record, so that the two North American countries lead the nations of the world in the proportion of years of prosperity to years of depression. Austria, China and Brazil show the shortest periods of prosperity to their periods of depression. Of the seventeen countries, eleven in the past have been prosperous more than half the time. Those in which business is good more often than bad are Canada, United States, England, France, Australia, Sweden, Netherlands, India, Argentina, Japan and Germany. The names appear in the order of their degree of prosperity. On the other hand, six countries since 1790 have been in the throes of depression most of the time, these being Italy, South Africa, Russia, China, Austria and Brazil. The poorest record is that presented for Brazil, where only .45 of a year of prosperity has occurred for each year of depression...."

Florida Agriculture

An editorial in The Florida Times-Union for July 26 says: "Quite recently a representative of the agricultural department of the Southern Railroad Company, H.C. Bates, told the Columbia County Chamber of Commerce members, farmers and business men, of money that Florida farmers do not get, year after year, because of not doing nearly enough dairying, of producing milk and butter that are so much in demand in this State, with the demand constantly increasing. In a news dispatch, published in the Times-Union, from Lake City, where the meeting was held, Mr. Bates' remarks were summarized as follows: 'Mr. Bates stated that 6,000,000 pounds of butter were imported into this State yearly when the same butter could be produced here 30 per cent cheaper, giving a greater profit to the farmer. The hay that is imported into this State from Oklahoma showed a freight rate of $10 per ton while farmers in this section could produce a better hay at less than the freight, and have good pastures for their cows practically the year round. He pointed out that the farmer with 160 acres of land could put in ten head of improved cattle at a cost of $850, feed the sour milk to chickens and pigs, selling the butterfat to a local creamery, keep up the general farm crops and within three years have money in the bank. Instead of having a farm with lands run down, with the manure from the cattle his lands would be continually improving.' Practically all Florida farm owners know that what Mr. Bates said to Columbia County farmers is true...."

Iowa Convention and Production Costs

An editorial in The Breeder's Gazette for July 29 says: "Out of the joint meeting of the Corn Belt committee, the Committee of Twenty-Two and the American Council of Agriculture in Des Moines last week comes a report

which led the Chicago press to carry such headlines as--'Find cost of bushel of corn at $1.40 to $1.43.' Other data submitted by a 'cost-finding committee' and based on a 160-acre Iowa farm valued at $148 per acre, included oats 79 cents, wheat $2.47, hay $21.44, hogs $16.32, veal $17.82, wool 65 cents, lambs $20.45, chickens 28 cents, butterfat 98 cents and eggs 61 cents. These figures do not truly reflect actual average production costs. They mislead and misrepresent. Were they generally applicable, American agriculture would not last a twelvemonth. On the corn crop alone the difference between its cost on the farms on this basis and its value on the present market would exceed the bankrupting total of $1,500,000,000. The 11 products are given an average cost 62.89 per cent above central market prices on the day the report was broadcast from Des Moines, July 20. It does not cost $1.42 to grow a bushel of corn in Iowa. Iowa hogs do not require $16.32 a cwt. of growth. Selling from $13 to $15, they have lately netted handsome profits to Iowa growers, paying around twice the market value of the corn consumed. The Iowa hen would have nothing to cackle over if her eggs cost her owner 61 cents, as charged, and the Iowa cow has lost her old-time proclivity for converting Iowa feeds into milk and butterfat if she now charges her owner 98 cents for a pound of butterfat. In Illinois it costs 57 cents to produce a bushel of corn, according to data collected on 16 farms by the University of Illinois. That is only 40 per cent of the reported Iowa cost. Oats cost 65 cents, wheat $1.12, hay $15.14 and hogs $10.69 on these Illinois farms. These costs leave little enough for the producer. They yield convincing proof of the inequality in cash returns when agriculture is compared with other industries. Why not use such conservative, authentic data in making a plea for economic adjustment? The friends of agriculture recognize and resent exaggeration...The truth is the only representation agriculture needs. It asks for nothing more."

Production and Consumption

An editorial in The Wall Street Journal for July 30 says: "In the past five years the area of cultivated crops has decreased 19,000,000 acres, or 5 per cent. As population is steadily increasing a superficial reading of these figures might give alarm. But there is nothing alarming in them. Instead, they show that the farmers, whose business was disturbed by the war, are getting back to a better balanced program of production. The area in cultivated crops has been, and is even now, too large. We are able to satisfy domestic needs for food, feed and cotton and still maintain large exports of many products. When, in some lines, we can produce more than the world will take at a profitable price it is obvious that our production is too large. The same thing is to be seen in the cotton mill industry. The capacity to produce is greater than consumptive demand and foreign markets will not take all the surplus.... Now that the war is over and foreign countries are settling down to production and many are embarrassed by decreased purchasing power, agriculture, like the textile industry finds itself with too great a productive capacity. The textile industry can not shut down its machinery and wait for population to grow up to its capacity to produce; neither can agriculture, but it can turn some of its plant to other uses....Some agricultural economists claim that even now too much land is being cultivated, that it would be better for the farmers if still more land were turned back into pastures. The ability to maintain large export balances and the frequent complaints of a burdensome surplus of this, that or the other crop would seem to bear out this contention. Be that as it may, the present decrease in cultivated area can not be construed as anything but a businesslike movement toward a program of production which is sufficient to meet all requirements."

Section 3
MARKET QUOTATIONS

Farm Products For the week ended July 30: Hog prices at Chicago continued to slump throughout the week while beef steers showed severe losses. The better grades of cows and heifers held their own but lower grades declined. Vealers ranged from slightly lower to as much higher with heavy calves and stocker and feeder steers remaining unchanged. Fat lambs and yearling wethers lost slightly while fat ewes showed improvement in prices. Feeding lambs are steady with a week ago. New York wholesale fresh meat market is 50¢ lower on steer beef, $2 to $3 lower on veal, $1 lower on lamb $2 lower on mutton and steady to from $1 lower on pork loins. New York quotations as of July 30 on good grade meats: Steer beef $14 to $15.50, veal $14 to $17, lamb $25 to $27, mutton $14 to $17; light pork loins $27 to $29, heavy loins $16 to $21.

Virginia Irish Cobbler potatoes 75¢ to $1.25 higher at $4 to $4.50 per barrel in city markets; $3.75 to $4 f.o.b. East Shore points. Georgia Elberta peaches slightly higher at $1.75 to $2.50 per six-basket carrier and bushel basket in consuming centers; $1.35 to $1.50 f.o.b. Macon. California cantaloupes lower. Turlock Section Salmon Tints $1.50 to $2.25 per standard 45 in city markets. Arkansas Salmon Tints $1 to $1.50. South Carolina and Georgia Tom Watson watermelons, 24-30 pound average, 20 to 40¢ unit basis in eastern markets; $175 to $250 bulk per car in New York City.

Grain markets stronger with good milling demand. Export inquiry and foreign markets higher. Mills and elevators good buyers of cash grain. Corn slightly lower but holding increases of earlier part of week. Oats easier with other grains.

Butter markets during the week ending July 30 were steady and prices showed but little change. Receipts were lighter than for the previous week, but were heavier than in 1925. In spite of the light receipts into storage movement continued heavy. Closing prices on 92 score: New York 40 1/2¢; Chicago 38¢; Boston 41¢; Philadelphia 41¢.

Average price of middling spot cotton in 10 designated spot markets advanced 24 points during the week, closing at 18.34¢ per lb. New York October future contracts advanced 19 points, closing at 17.70¢.

Hay market about steady with liberal arrivals and moderate demand. New Timothy in some eastern markets exceeding demand but prices holding generally steady for best grades. Quoted July 30: No.1 timothy - Boston $29; New York $30; Pittsburgh $20; Cincinnati (new) $17.50; Chicago $25; St.Louis $17.50; Kansas City (new) $15; Memphis $21.50; Denver $19; No.1 alfalfa - Kansas City $17; Omaha $17.50; Denver $15; Memphis $19; No.1 prairie - Kansas City $12.50; Omaha $17.50; Chicago $19; St.Louis $15.50; Minneapolis $18. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	July 31,	July 30,	July 31, 1925
20 Industrials	160.47	160.18	133.81
20 R.R. stocks	116.52	114.99	98.74

(Wall St. Jour., Aug. 2.)

DAILY DIGEST

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Vol. XXII, No. 28 Section 1 August 3, 1926.

NEW YORK GRAIN EXCHANGE OPENS

An Associated Press dispatch from New York to-day says: "Trading in grain futures opened yesterday on the New York Produce Market after a dedicatory ceremony before more than 1,000 members of the exchange. In the initial dealings, September contract sold at $1.47 5/8 and December at $1.52 a bushel. A few minutes before the opening hour, H.B. Wunder, president of the exchange, stated briefly the history and purpose of the produce exchange. The new market, he said, filled a definite need in the grain trade of the country and, in addition, supplied a hedging market for foreign buyers. ...Trading in the new market is based on delivery of wheat in Buffalo."

WAR BREAD FOR ITALY

An Associated Press dispatch from Rome to-day states that Premier Mussolini last night called upon the people of Italy to help in the struggle which the Government is waging to rehabilitate Italian finances, by eating a type of war bread containing a maximum of 80 to 85 per cent of wheat. Through a new series of drastic decrees adopted by the Cabinet, at the personal request of the Premier, it is hoped to cut down on the wheat importations which are largely responsible for the great Italian adverse international trade balance.

NEW YORK POULTRY INQUIRY BEGUN

The New York Times to-day reports that plans to establish a market news and price quotation service in the live poultry industry, as the first step in a possible reorganization of the business on broader lines, were discussed by Attorney General Ottinger and members of the Bureau of Agricultural Economics of the United States Department of Agriculture and the Port of New York Authority yesterday.

MEAT SITUATION

A review of the livestock and meat situation during the month just closed, issued August 2 by the Institute of American Meat Packers, states in part: "A downward trend in the prices of hogs and of most pork products featured the meat trade during the month just closed. This was particularly true of fresh pork products -- loins, shoulders, and spareribs -- notably those from heavier hogs which were in relatively large supply. This development is illustrated forcibly by current market quotations, which show that heavy loins are now wholesaling ten cents or more a pound, or 40 per cent lower than light loins. The beef trade was somewhat slow and prices generally declined slightly during the month. Choice heavy beef declined sharply during the latter part. July, usually a rather dull month so far as the export trade is concerned, ran true to form this year. The volume of the trade, although equivalent to that of July last year, was smaller than in June this year. English buyers are showing some disposition to contract on English cuts for fall shipment at prices that are around those now prevailing."

Section 2

Agricultural Policy

An editorial in The Michigan Farmer for July 24 says: "There is a quite general agreement with President Sam H. Thompson, of the American Farm Bureau Federation, that America's greatest need to-day is a new agricultural policy. As Mr. Thompson aptly says, the United States has an economic policy, an industrial policy, and a foreign policy, but no definite agricultural policy to meet present conditions. And the public is asking with Mr. Thompson: 'Who knows what the policy of the Government shall be in its relation to agriculture and rural life?' Who has given, or is able to give, the final word as to policies affecting agricultural credit, or land economics, taxation, transportation, marketing, farm tenantry, rural education, local Government and cooperation? To solve these problems and formulate the outlines of a national construction agricultural policy is held to be the big job which the farm organizations have before them, and which must be settled if any progress is to be made toward securing the necessary legislation to make effective a permanent agricultural policy."

Business Forecasting

David Friday is the author of an article under the title "Have the Forecasters Averted a Depression?" in The American Review of Reviews for August. He concludes as follows: "Successful prediction will neutralize itself if it commands widespread public confidence. Something of this sort has happened in recent months. After nonagricultural prices had declined from 180 in April, 1923, to 158 in the recession of midsummer, 1924, they began to rise once more. By February, 1925, they stood at 167 and seemed to be headed definitely upward. This is where the forecasters sent out their warnings and by May the prices had fallen 6 points to 161. People bought cautiously and there was no inflation of inventories or of bank credit. For in the stock market, too, there had been a decline. In view of the pessimistic predictions abroad at that time the brokers required substantial increases in margins. This meant that stocks were bought more largely with savings and less with borrowed bank credit. So inflation and credit stringency were avoided. Business remained good and savings for the investment market were large. By November, 1925, nonagricultural prices had risen again to 166. Then they began to fall once more. They declined to 160 in April, 1926, and remained there in May and June. Labor and management are efficient, costs are low, and inventories are small. In view of the possibility of recession people are saving and thus keeping the supply of investment funds large and bond prices firm. In so far as the forecasters have helped to create this attitude of caution they have scored an immense success, and have conferred a great benefit upon all classes of industrial society."

Cotton Crop

1 "A prominent cotton house estimates the cotton crop as of July 25 at 14,815,000 bales. The official report as of July 16 was 15,368,000 bales, against 15,635,000 on June 25. So far as midsummer reports may show, the cotton crop is losing ground; something more than normal weather will be necessary in order to realize earlier estimates of a large production." (Wall St. Jour., July 31.)

2 In an editorial on "Cotton Crop Uncertainties," The Journal of Commerce for August 2 says: "Although the end of July condition of the cotton crop for the States included in The Journal of Commerce estimate appearing to-day shows a deterioration of 6.1 points from that of the preceding month, or a reduction of 677,000 bales in estimated yield, no little

caution needs to be exercised in interpreting these figures....A psychological element that can not, it appears, ever be entirely eliminated from crop forecasts is the temperamental pessimism of the average farmer. It is easy to understand why people whose economic fate depends so largely upon vagaries of the weather and visitations of insect pests school themselves to expect the worst and tend to minimize the chances of a happy issue from the inevitable natural afflictions that visit them. This disposition has, however, to be allowed for in interpreting statistical estimates. So long as the farmer himself admits that he still harbors hopes of making a crop the public may rest assured that his chances are not bad."

Cotton Crop Estimates

The American Fertilizer for July 24 makes editorial comment on the "common sense" cotton crop estimates, recently inaugurated by Commerce and Finance. The editorial says in part: "There is no sure formula for estimating a crop before it is grown. This is doubly true of cotton, which does not 'set' at once like potatoes or grain, but keeps on growing, with favorable weather conditions, through a remarkably long season. But there is a persistent demand for estimates, and without doubt we shall have them until the end of the story. Commerce and Finance, a New York weekly, whose editor is unusually familiar with cotton statistics, is trying a new method of estimating the crop. He calls it a 'common sense' estimate.....The plan is a good one, and if continued beyond the present year may become one of the most accurate forecasts. A few of the correspondents must be eliminated. The misfits can easily be identified when the final crop figures are published. It should be remembered in using the Commerce and Finance figures that they are all furnished by men who are directly or indirectly interested in the selling price of cotton. It is probable that many of them were unconsciously influenced by the well-known law of mental philosophy that 'the affections warp the intellect.' The South always likes to hear of a small cotton crop. But the figures can be 'weighted' by those who use them, the same as other estimates. We hope these estimates will be continued until their value is definitely established."

Cotton Textile Industry

Arthur R. Marsh, writing on the situation and outlook of the American cotton textile industry in The Annalist for July 30, says: "It is the general impression in financial and business circles that the American cotton textile industry as a whole is in a state of depression which contrasts markedly with the prosperity which the other basic industries have been enjoying for a considerable period. The correctness of this impression is felt to be amply assured not only by the extremely discouraging tenor of the reports reaching the financial centers from the industry itself, but also by such indisputable evidence as is afforded by a continuous decline of the market value of typical cotton mill stocks, especially in New England, to levels lower than those ever before attained. Moreover, recognized leaders in the industry have of late frankly depicted the situation as fundamentally unsatisfactory and even so unsound as to require far-reaching remedies if it is to be rectified."

Grain Export Drop

An editorial in The Washington Post of August 2 says: "The international evils following an era of depreciated currency is illustrated by the decline in June of American exports of grain to France, Belgium and Italy, due almost entirely to depreciated currency in those three countries. A debased currency, of little value in international commerce, tends to decrease imports into the country of depreciated money, and to

increase exports. The reason for this is that it takes so many francs or lire (for example) to buy a dollar's worth of American wheat, corn, oats or rice, that purchases are discouraged. This tends to depress the American prices of grains, when ready for shipment. Until all countries of Europe restore their currencies, exports of American grains can not be restored to former normal conditions."

Section 3

MARKET QUOTATIONS

Farm Products

Aug. 2: Chicago hog prices closed at $13.65 for the top, bulk of sales $10.30 to $13. Beef steers choice, $9.40 to $10.65, good $8.65 to $10; heifers, good and choice, $7.65 to $10.25; cows, good and choice $6.15 to $8; low cutter and cutter $3.15 to $4.25; vealers, medium to choice, $9.25 to $13.50; heavy calves, medium to choice, $6.50 to $8; stocker and feeder steers common to choice, $5.25 to $8; fat lambs medium to choice, $12.50 to $14.50; yearling wethers, medium to choice $10 to $12.75; fat ewes, common to choice, $5 to $7.50; feeding lambs medium to choice, $11.25 to $13.75.

Virginia Irish Cobbler potatoes advanced 50¢ to $1.25 per barrel to a range of $3.50 to $4 per barrel in New York City and $4 to $4.75 elsewhere with f.o.b. trading at $3.50 to $3.75 at East Shore points. Georgia Elberta peaches firm at $1.75 to $2.25 per bushel basket and six-basket carrier in city markets; $1.35 to $1.50 f.o.b. Macon. Watermelon markets dull and weaker. Georgia and South Carolina Tom Watsons, 24-30 pound average, $100 to $175 bulk per car in terminal markets; 30 to 32 pound stock $100 to $150 f.o.b. Macon.

Closing prices on 92 score butter New York 40 1/2¢; Chicago 38¢; Philadelphia 41 1/2¢; Boston 41¢.

Grain prices quoted August 2: No.2 red winter Chicago $1.40 to $1.42; No.2 hard winter Chicago $1.40 1/2 to $1.42; No.2 mixed corn Chicago 84 1/2¢. No.2 yellow corn Chicago 84 1/2 to 85 1/2¢; No.3 yellow corn Chicago 83 to 83 1/2¢; St.Louis 85 1/2 to 86¢; No.3 white corn Chicago 83 1/4 to 83 1/2¢; St.Louis 86¢; No.3 white oats Chicago 41 3/4 to 43¢; St.Louis 42 to 43¢.

Middling spot cotton in 10 designated spot markets unchanged at 18.32¢ per lb. New York October future contracts advanced 6 points, closing at 17.76¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Aug. 2,	July 31,	Aug. 1, 1925
20 Industrials	161.84	160.47	134.45
20 R.R. stocks	116.66	116.52	99.02

(Wall St. Jour., Aug. 3.)

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DAILY DIGEST

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Vol. XXII, No. 29 Section 1 August 4, 1926.

THE PRESIDENT AND PHILIPPINE RUBBER

A dispatch from Paul Smith's, N.Y., to the press to-day reports: "The United States Government plans to encourage the development of rubber plantations in the Philippines in order to make America independent of the present foreign control of the rubber industry, it became known at Paul Smith's yesterday, following a conference which President Coolidge held with Harvey S. Firestone, jr., who recently returned from a survey of conditions in the islands. Herbert Hoover, Secretary of Commerce, has been working on comprehensive plans for the cultivation of rubber plantations there, and American capitalists are now ready to go into the enterprise if the Philippine land laws are amended to permit extensive land holdings for a period of seventy-five years. The problems before American rubber consumers and the inducement offered in the island possessions were presented in detail to the President, who had requested Mr. Firestone to report on his study of the laws and soil conditions in the islands. 'In fifteen years the United States could become independent of the British rubber monopoly,' Mr. Firestone said, 'provided the land laws of the Philippine Islands are revised to encourage American investments in a large way. At the present time Great Britain controls 77 per cent of the world's rubber production, while the United States produces about 2 per cent. It takes five years to grow a producing rubber plant, and I estimate that in fifteen years sufficient area could be planted to break down the British control.'...."

GRAIN RATES

A Chicago dispatch to the press to-day reports: "All railroads in the territory east of the Mississippi River and North of the Ohio River will protest the 6-cent grain rate reduction to the eastern seaboard, recently announced by the Minneapolis and St.Louis Railway. This decision was reached yesterday at a meeting of rate representatives of the carriers. The decision includes all of the western trunk lines of the official classification territory and means that all of the carriers will act as a unit in opposing the reductions."

CANADA WHEAT

An Associated Press dispatch from Ottawa to-day reports: "Canada's wheat crop for 1926 is estimated at 348,626,000 bushels, according to the Federal Government crop report on conditions in Canada, issued yesterday. Last year's wheat crop was 411,376,000 bushels. The Dominion Government estimate last month was 327,000,000 bushels, while private forecasts were variously 279,000,000 and 365,000,000. Thus the Government estimate increases, despite numerous reports of damage from drought."

Section 2

Animal Husbandry

An editorial in The Field (New York) for August says: "Urban America may profit by the Sesqui-Centennial Livestock Exposition, at Philadelphia, September 12th to 19th. Held in conjunction with an event which commemorates the founding of this Republic, thousands of people who would otherwise not have attended and who have no knowledge of animal form and function will be attracted to this exhibit by sheer curiosity. Few of them will give more than a casual look at the parade of the major breeds of cattle, horses, sheep and swine. To them purebred animal husbandry is a name without significance. They do not understand the science of breeding or the indispensable part which it plays in national progress; nor can they distinguish between the different breeds of milk and beef-producing animals....The modern cave dweller is a victim of circumstance, but given the opportunity he is just as likely to cut a figure in agriculture as his country-bred kinsman is in finance and industry. In fact it frequently happens that an exchange of residences is good for both--and for the country. The call is not for more, but for better businessmen, farmers and stockmen--men with a fresh point of view, broad outlook, ambition and resource. Why should not the country draw from the city for its future breeders? The accident of birth or locality does not determine one's occupation. And cattle breeding is an art which awaits the call of the artist. Men who excel in it are gifted; they have that rare combination of constructive imagination and capacity for accomplishment which is akin to genius."

Canadian Crop Prospects

An editorial in The Journal of Commerce for August 3 says: "Canadian weather news is being scanned with almost feverish interest of late because the weather conditions of the immediate future will largely determine the size of Canada's wheat exports, and the world price of wheat is going to depend to an even greater extent than usual upon the size of the Canadian crop....The exceedingly sensitive state of the market is probably the best indication of the delicate balance between demand and supply which now exists. Losses in one part of the world bid fair to be offset by gains elsewhere, while the carryover is so small that it can be largely ignored as a factor in determining ultimate prices. It looks now as if the very heavy winter wheat harvest in the United States would much more than offset the losses in spring wheat in this country as compared with last year, so that authoritative estimates place the amount which Canada needs to supply to world markets at a figure that seems easily attainable if the crop turns out fairly well....At best, European crops will not be as good as last year, but are expected to yield a fair average. Again, with good luck, and deficiency on the other side could be offset by the United States and Canadian exports, but the Northwestern wheat growing area and Canada, in particular, keep the balance in perpetual oscillation for the time being. Under the circumstances speculative manipulation of prices is extraordinarily tempting, and rumors have more than their usual potency in affecting values....."

Cooperative Marketing

An editorial in New England Homestead for July 24 says: "Cooperative marketing will receive more attention than ever from United States Department of Agriculture, now that Congress provides $250,000 annually for such work. Let it report upon the failure of cooperative marketing of potatoes in Maine and Minnesota, of tobacco in Virginia-Carolinas and in Tennessee-Kentucky. We all may learn a lot from such failures and from the mistakes that caused them. Instead of 'specialists' who are long on theory and

short on practice, cooperative marketing needs the leadership of men and women experienced in distribution and salesmanship. Members of co-ops needs to realize that to start or organize such an effort, even though difficult, is the easiest part of cooperative marketing. The hard part comes in sticking to it through thick and thin, through bad times as well as good times, until it achieves enduring success. This is seldom done unless cooperation becomes a sort of religion to the members....Enduring institutions, religious, social, educational or commercial, require long years of effort to achieve enduring permanency. The same is true of cooperation."

Cooperative Withdrawals

An editorial in The Progressive Farmer for July 17 says: "There has been much criticism of the manner of organizing and of the management of the farmers' cooperative marketing organizations. It is true that most of this criticism has come from those who formerly handled the products which the cooperatives were organized to handle. It is also true that most of these criticisms were plain, unvarnished misrepresentations, without a shadow of foundation in facts. But it can not be denied that some farmers who joined these organizations have also complained and a few of them have expressed a desire to withdraw and some have actually violated their contracts. The Staple Cotton Growers' Association of Mississippi, in their new contract signed last year, gave members the privilege of withdrawing in May of each year, provided formal notice was given by a given date. This year is the first that such a privilege has been granted by any cotton association and the results are enlightening. There were 197 members or 11.8 per cent who exercised this privilege. This is a larger number than any cooperative would probably have been willing to admit wanted to get out. The number of bales delivered by these seceding members last year was 22,140 or 8.4 per cent of the total receipts. It is therefore apparent that the average of those who withdrew delivered less cotton per man than the average of the whole organization. But the reasons for withdrawing given by 166 members are the interesting and instructive features of this new experience for cotton cooperatives. Of those who withdrew, 78 or 45 per cent gave practically the same reason in kind. This reason in effect is that they couldn't get all their money when the cotton was delivered, or related to difficulties in their financing of the crop...."

Economic Progress

An editorial in The Wall Street Journal for August 3 says: "That the world is making economic advancement is to be seen in the rapid substitution of machines for man power. The great increase in exports from the United States of industrial, agricultural and other forms of machinery is a convincing argument. Some of the older countries are repairing the wastes of war while others in the newer and more backward class are preparing to take more advanced positions in commercial life. Take our exports of agricultural machines and implements for illustration. In the past fiscal year the sales abroad were valued at $90,000,000. This was an increase of $27,000,000 over the preceding year. An increase of 40 per cent in such sales shows an awakening in the world's agriculture. Half of this total was in wheel tractors. Contrast this form of motive power with that of animal and remember that with it must go other improvements in order to make it profitable. Some of these tractors go to the most advanced countries, giving an indication that Europe is coming back. ...Right here in this story of the exports of farm machinery is to be

gleaned a story of the utter futility of strikes against what are really economic conditions. England was an important importer of agricultural machinery last year. Yet that country was once a large exporter of such machines. She has been losing export trade and even found it necessary to become an importer because of labor conditions at home....But what is of the greatest significance is the fact that South America, Asia and even Africa are becoming heavy purchasers....The meaning of this is that those undeveloped countries are beginning to move forward. There is soon to be a greater diffusion of manufacturing over the world. Likewise there is to be an increase in purchasing power which ultimately will result to the gain of all who are prepared to avail themselves of the opportunities."

Hop Crop

A Portland, Ore., dispatch to the press of August 2 states that the last of the 1925 crop of Oregon hops has passed from growers' hands. Two sales reported recently were at 30 cents a pound for account of London buyers. About half of last year's crop of 75,000 bales went to London dealers. The yield for 1926 in clusters will be above normal, but fuggles will be only about a half crop, local authorities predict.

Irish Economic Conditions

An editorial in The Irish Statesman (Dublin) for July 17 says: "Nothing could indicate better the change in political temperature than the speech of President Cosgrave at Hospital. A couple of years ago and speeches of Ministers would have dealt largely with Republican propaganda. Now, though the horns of Pandemonium are faintly blowing, sounded by a few vindictive ladies, speeches dealing with Republican propaganda would simply bore Irish audiences who are realists, who will listen if they think there is any danger to be apprehended, but they have now placed that propaganda among the things which do not matter. The political temperament of the Free State is shown by the topics the President dealt with: the progress of the Shannon scheme, the improvement of grass lands, of the milk yield by cow-testing, the building up of dairy herds, the production of high-class butter, the grading and marketing of eggs, and the like....It is, we think, much pleasanter to think of our Ministers when they speak in the country talking as friends of the rural community who understand their problems and giving them the best advice which the departmental experts can furnish them with. The element of poetry and the picturesque is far better developed in the cultural than in the political sphere. If we thought the Free State in developing its economic life was going at the same time to starve its spiritual life we would, indeed, be sorrowful, but we doubt whether at any time in the past the cultural and intellectual spirit in Ireland was more alive than it is at present...We do not believe there has been any period when the cultural vitality of Ireland has been more recognized by other nations. It is our economic life needs to be awakened, and we are glad Ministers are concentrating on this."

Section 3

Department of Agriculture

An editorial in Western Breeders Journal for July 22 says: "The 'Better Beef' Conference to be held on Thursday and Friday of this week at Kansas City may or may not accomplish the good that should result from a meeting of that kind....In the meantime, livestock producers are skeptical. The American National Livestock Association's paper, The Producer, in commenting upon Secretary Jardine's meat-grading order, says 'It may be welcomed as a sympathetic gesture. It is an exaggeration to hail it as a practical measure putting into effect even the first step in the desired grading and marking system.' The attitude of The Producer

indicates that the organized stockmen are 'biting the nickel' to see if it is any good or not. As we have said before, our reaction to the Secretary's order is that it lays the foundation for effective action, but that the stockmen themselves will have to see that the structure is built upon that foundation. Secretary Jardine's order was effective July 1st. Three weeks have passed, and its effect so far has been practically nil. Most meat retailers appear not to know anything about it yet-- and it is quite conceivable that many of them would pay no attention to it if they did know. Neither packers nor retailers are in any hurry to use the service proffered by the Department of Agriculture. Our belief is that the voluntary nature of the Secretary's order will prevent its widespread use. Meat vendors will continue to use the old system until compelled to do otherwise...."

Section 4
MARKET QUOTATIONS

Farm Products

August 3: Chicago hog prices closed at $13.65 for the top, bulk of sales $10 to $12.85; beef steers choice $9.40 to $10.65; heifers, good and choice, $7.75 to $10.25; cows, good and choice $6.25 to $8.35; low cutter and cutter $3.15 to $4.25. Vealers, medium to choice $9.75 to $14; heavy calves $6.50 to $8; stocker and feeder steers common to choice $5.65 to $7.50; fat lambs medium to choice $12.50 to $14.60; yearling wethers, medium to choice $10 to $12.75; fat ewes, common to choice $5 to $7.50; feeding lambs, medium to choice $11.25 to $13.75.

Virginia Irish Cobbler potatoes sold at $3.50 to $4.50 per barrel in city markets; $3.25 to $3.50 f.o.b. East Shore points. New Jersey sacked Irish Cobblers $2.35 to $2.50 per 100 pounds in New York and Philadelphia; $2.15 to $2.35 f.o.b. California Turlock Section Salmon Tint cantaloupes $1.50 to $2 per standard 45 in consuming centers. Georgia Elberta peaches $1.50 to $2.25 per bushel basket and six-basket carrier in terminal markets; $1.25 to $1.40 f.o.b. Macon. Georgia and South Carolina Tom Watson watermelons, 24-30 pound average, $100 to $175 bulk per car in New York City. Early varieties of apples from Eastern States $1 to $1.50 per bushel basket in city markets.

Grain prices quoted August 3: No.1 dark northern Minneapolis $1.58 3/8 to $1.67 3/8; No.2 red winter Chicago $1.36 1/2 to $1.39; St.Louis $1.37 to $1.38. No.3 red winter Chicago $1.36 to $1.37. No.2 hard winter Chicago $1.37 1/2 to $1.39 1/2. No.3 mixed corn Minneapolis 84 to 85¢. No.3 yellow corn Minneapolis 86 to 87¢; St.Louis 87¢. No.3 white corn St.Louis 87¢. No.3 white oats Minneapolis 40 1/2 to 41¢; St.Louis 41 3/4 to 42 1/2¢.

Middling spot cotton in 10 designated spot markets advanced 1 point, closing at 18.33¢ per lb. New York October future contracts declined 7 points, closing at 17.69¢. (Prepared by Bu. of Agr. Econ.).

Industrials and Railroads

Average closing price	Aug. 3,	Aug. 2,	Aug. 3, 1925
20 Industrials	163.40	161.84	135.81
20 R.R. stocks	116.31	116.66	99.32

(Wall St. Jour., Aug. 4.)

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DAILY DIGEST

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Vol. XXII, No. 30 Section 1 August 5, 1926.

WASHINGTON FOR ROADMAKERS' BODY HEADQUARTERS

The Washington Post to-day says: "The American Road Builders Association yesterday voted to move all of its offices to Washington and make this city its international headquarters. The transfer will be made immediately, and will bring to the Capital several highway officials of world renown. The association headquarters at present are divided between New York and Raleigh, N.C., with temporary offices in Chicago. The transfer will bring Charles M. Upham, director of the highway research board of the National Research Council, and construction manager of the highways of the Mexican Republic, who is also managing director of the American Road Builders Association, as general supervisor of the association offices. The road builders' organization consists of highway officials, engineers and contractors of North, South and Central America, and is the largest organization of its kind in the world. It sponsors the International Road Congress, held in this country each year during Good Roads week, which is attended by approximately 40,000 highway authorities...."

FREIGHT RATES

The New York Times to-day says: "Eastern railroads affected by the 6-cent reduction in grain rates ordered by the Minneapolis & St. Louis Railroad and now awaiting the decision of the Interstate Commerce Commission will meet at New York early next week to discuss ways and means of meeting what they regard as a very serious situation. If the Minneapolis & St.Louis reduction is allowed it will mean the growth of the City of Minneapolis as a milling centre at the expense of Duluth and Buffalo, which in recent years have enjoyed the lion's share of the business, unless the railroads all over the country cut their rates correspondingly. If this is done the millers and grain growers will be exactly where they were before, but the railroad security holder will be minus several million dollars in freight revenues which he now receives....Special attention was called yesterday by traffic executives to the fact that Tuesday's announcement from Chicago that the commission had granted permission to six western lines to reduce rates 3 cents per hundred pounds had no direct bearing on the latest rate action, but referred to a former decrease made by the Minneapolis & St.Louis."

The Chicago dispatch referred to said: "Permission to reduce by 3 cents per 100 pounds the rate on grain from southwestern producing areas to Minnesota mills has been granted to six railroads in that territory by the Interstate Commerce Commission, effective five days after the roads formally notify the commission of their readiness to put the changes into operation. The reduction will make the rate 8 cents per 100 pounds, but it will apply only to shipments from the producing area to destinations east of the Illinois-Indiana State line, routed through Minnesota. The six roads are the Chicago, St.Paul, Minneapolis and Omaha; the Chicago, Burlington and Quincy; Chicago Great Western; Chicago and Northwestern; Chicago, Rock Island and Pacific, and the Chicago, Milwaukee and St.Paul. The roads obtained permission to cut the rate in order to compete with the Minneapolis and St.Louis, which recently voluntarily reduced its rate 3 cents."

Section 2

Agricultural Comparisons

An editorial in The Washington Post for August 3 says: "Former Governor Lowden of Illinois recently has returned from a trip through some of the countries of Europe, studying agricultural conditions, particularly in Denmark and Germany. In an interview he states that the United States is far behind those two countries 'in making protection as effective in agriculture as in industry.' In other words, Mr. Lowden apparently intends to convey the impression that the United States has failed in giving agriculture economic equality with industry, thus supporting the theory of the leaders in the so-called corn belt States. It is difficult to see wherein either Denmark or Germany has utilized the doctrine of protection for agricultural advancement more than the United States. If Mr. Lowden means that Denmark and Germany have kept down the prices of goods bought and consumed by the farmers, the answer is that industrial wages in those two countries are less than one-half the wages in the United States, and living conditions far below those prevailing in this country. Department of Labor statistics show that the cost of living in Denmark and Germany advanced during and after the World War more in those two countries than in the United States; but the initial level in 1914 was far below that of the United States. If Mr. Lowden means that the Governments of Denmark and Germany have done more to protect agriculture than the United States, the facts prove the contrary. No country on earth has done so much for agriculture during the last 30 years as the United States Government.

"It is quite possible Mr. Lowden has in mind something entirely new which he expects, by some magic process, will bring agriculture up to an economic level with industry. It can not be cooperation; for cooperation has been in vogue in the United States for many years. Furthermore, the only agricultural relief bill passed by the last Congress was a cooperative bill. Not only agriculture but industry will rejoice if Mr. Lowden has found the secret that will solve the riddle. However, there is a suspicion the Illinois statesman has had his ear to the ground and heard what the leaders in the corn belt States said and demanded. He promptly responds with a glowing picture about Denmark and Germany; but is thus far reticent as to just how they have succeeded in outdoing the United States in agricultural aid. The country wants a bill of particulars."

Business Cycles

A New York dispatch to the press of August 2 says: "Business cycles, upward and downward swings that characterize the economic life of all nations, have their shortest average duration in the United States, lasting an average of four years, the National Bureau of Economic Research, Inc., has found in a study of these cycles in seventeen countries over periods of from 36 to 136 years. Advance information concerning the findings, now nearing completion, was made public yesterday. China's and Italy's cycles have the longest duration of any of the countries studied, with an average of 6.4 years. In 128 years of American business annals ended with 1923, 32 business cycles have been identified by Dr. Wesley C. Mitchell, director of the research organization, who supervised the survey. One cycle only a year in length was found in American business for 1845-1846, and one for nine years, from 1873 to 1882, while ten cycles of three years' duration each were found, being the most common. The average of English cycles from 1793 to 1920 was of 5.8 years. Based on periods of various lengths, the averages in other countries were found to be: Japan, 4 years; Russia, 4.3 years; Argentina, 5; Brazil, 5; Canada, 5.1; Germany,

5.1; France, 5.5; Austria, 5.6; Sweden, 5.6; Netherlands, 5.6, and Italy, 6.4."

An editorial on this study in The Journal of Commerce for August 4 says: "Preliminary results of a fresh investigation into what are called 'business cycles' are now given to the press. The investigation has been carried on by competent hands and under expert direction. Its results will undoubtedly be of large value. They should not be too hastily anticipated on the strength of the meager information which is now given to the public. Nevertheless, one or two highly interesting facts stand out in the brief summaries that have already been distributed. Of these perhaps the most striking is the great variation in the length of the so-called cycles....If this be a correct interpretation of the preliminary findings of the business cycle investigation, the bearing of it upon what is known as 'forecasting' is considerable....Certainly such a view of the business cycle is more rational than those which have preceded it. Gone, of course, is the more or less fatalistic assumption that 'depression' or 'prosperity' must come at recurrent periods, more or less accurately to be predicted. Gone also, it would seem, is the assumption that such periods of recurrent depression or prosperity must necessarily occur at all. They are at best purely relative, not only with respect to one another but with respect to preceding conditions...."

Cotton's New Year An editorial in The Wall Street Journal for August 4 says: "King Cotton sent out his greetings and best wishes on the first of August because, on his calendar, that day marks the beginning of a new year.... Figures for domestic consumption will not be available for two weeks yet, but the total will probably be within a range of 6,400,000 and 6,500,000 bales, exclusive of linters. This compares with 6,193,000 bales last year, and 6,666,000 in the season ending July 31, 1923, which was the record for peace time consumption. Notwithstanding the reduction of mill activity which began at the end of March, the domestic consumption of cotton is large. In the year beginning August 1, 1924, there was a wonderful stimulation of exports of cotton. The total for the year were 8,195,876 bales of lint and linters. This year's exports will closely approximate those of last season. Notwithstanding industrial and trade depression abroad there has been practically no cessation in foreign purchases of American cotton. As in 1912 the exports were 10,681,758 bales, the exports of last two years were not beyond the capacity to consume when the purchasing power is present. There will be varying estimates of the world consumption of cotton in the past year as there will be in the predictions for the coming season. It seems fairly certain that the world used somewhat less than 14,000,000 bales of American lint. The United States is the chief consumer of linters, and 750,000 bales would be a conservative estimate of its minimum consumption in the season just ended. From these tentative estimates, made before full information is available, a fair idea may be formed of what the world did in the past year."

Implement Rates

Schedules proposing a general revision of carload freight rates on agricultural implements between points in the Southeast and points in the Mississippi Valley territory were suspended August 2 until November 29 pending an investigation by the Interstate Commerce Commission. (Press, Aug. 3.)

New York Grain Market

A New York dispatch to the press of August 4 says: "The New York wheat futures market, in the opinion of its friends and critics, in the second trading session, rendered an excellent account of itself. The bushel volume of trading reported to the clearing house last afternoon was 1,950,000 bushels as compared with 2,650,000 bushels on Monday. The second day's trading covered trade buying, hedging by three milling concerns, and enough hedging by exporters fully to cover cash sales to the United Kingdom and Continent, which in a day of exceptional dullness did not exceed 120,000 bushels of wheat...."

Section 3

MARKET QUOTATIONS

Farm Products

Aug. 4: Potato prices irregular. Virginia Cobblers sold at $3 to $4.50 per barrel in most markets; $3 to $3.25 f.o.b. New Jersey sacked Cobblers $2.15 to $2.65 per 100 pounds in eastern cities; $2 to $2.15 f.o.b. Georgia Elberta peaches 25 to 50¢ lower at $1.25 to $2 per six-basket crate and bushel basket in consuming centers; $1.15 to $1.35 f.o.b. Macon. California Salmon Tint cantaloupes lower at $1.25 to $2 per standard 45 in most city markets; stronger at $2.25 to $2.75 in New York City. Georgia and South Carolina Tom Watson watermelons 26 to 30 pound average, weak at $135 to $225 bulk per car in distributing centers; $100 to $125 f.o.b. Macon.

Chicago hog prices closed at $13.35 for the top, bulk of sales $9.80 to $12.50; beef steers choice $9.40 to $10.65; heifers, good and choice, $7.75 to $10.25; cows, good and choice, $6.45 to $8.25; low cutter and cutter $3.40 to $4.50; vealers, $9.75 to $12; heavy calves $6.50 to $8.50; stocker and feeder steers common to choice, $5.65 to $8; fat lambs medium to choice $12.50 to $14.85; yearling wethers, medium to choice, $10 to $12.75; fat ewes, common to choice, $5 to $7.50; feeding lambs medium to choice, $11.25 to $13.75.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 38 3/4¢; Philadelphia 41 1/2¢; Boston 41¢.

Grain prices quoted August 4: No.1 dark northern Minneapolis $1.58 1/8 to $1.67 1/8; No.2 red winter Chicago $1.38 1/4 to $1.39 1/4; St.Louis $1.37 to $1.38. No.2 red winter Chicago $1.35 3/4 to $1.37 1/4; No.2 hard winter Chicago $1.38 1/4 to $1.39 1/2; Kansas City $1.30 1/2 to $1.38. No.3 mixed corn Chicago $1.37; Minneapolis 82 to 83¢; No.2 yellow corn Chicago 86¢; Kansas City 88¢. No.3 yellow corn Chicago 85¢; Minneapolis 85 to 86¢; St.Louis 85 1/2 to 86¢. No.3 white corn Chicago 84¢; No.3 white oats Chicago 41 to 44¢; Minneapolis 40 1/8 to 40 3/8¢; St.Louis 41 1/2 to 42¢.

Middling spot cotton in 10 designated spot markets declined 44 points, closing at 17.89¢ per lb. New Orleans October future contracts declined 48 points, closing at 17.09¢. (New York not available.) (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Aug. 4,	Aug. 3,	Aug. 4, 1925
20 Industrials	163.23	163.40	136.38
20 R.R. stocks	115.60	116.31	99.56

(Wall St. Jour., Aug. 5.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 31 Section 1 August 6, 1926.

NEW YORK COTTON PORT

A New York dispatch to-day states that the New York Cotton Exchange yesterday signed a contract with the Bayway terminal which is designed to make New York one of the greatest cotton concentration ports in the United States. Under the arrangement the Bayway terminal will spend about $5,000,000 for a storage plant equipped to handle 200,000 bales of cotton. A single warehouse receipt will be given on all cotton shipments coming into the port, and uniform handling charges will be established. The Bayway warehouse will be at Elizabeth, N.J., on Staten Island Sound.

RUBBER RESTRICTION STAYS

A London dispatch to the press to-day says: "There has been a persistent rumor in commercial circles that the Colonial Office contemplates the abolition of the Stevenson rubber restriction scheme. It was learned, however, that there is no possibility of any change in the next three months, during which 100 per cent production will be allowed. If the price of rubber remains at economic level during that period abolition of the plan might then receive consideration...."

LONDON MEAT WAR

A London dispatch to the press to-day says: "Negotiations are in progress for the settlement of the ruthless commercial warfare which has been waged for months in the world meat trade. It has been a struggle between American and British interests in the South American export business. The Armours, Swifts and Vesteys, known as the 'Big Three,' of the meat trade, have been the chief antagonists. Their combined capital is more than $500,000,000. The total loss sustained by them in their fight for supremacy in the South American meat trade has been estimated at as much as $50,000,000...."

THE SECRETARY'S OFFICE

"Secretary Jardine's Job and How it Came About" is the title of Clinton Gilbert's "Daily Mirror of Washington" in to-day's Philadelphia Ledger. Mr. Gilbert semi-humorously reviews the development of the Office of the Secretary since its inauguration until to-day, saying in part: "In these days, when the farmers are our chief political problem, it is pleasant to read of the times when they troubled us so little that there wasn't any Secretary of Agriculture. The farmers did their farming without any aid or advice from Washington. The first Agricultural Report was issued in President Polk's Administration about the time of the Mexican War, and it was prepared by the Commissioner of Patents, Edmund Burke....By 1889 we had got a Secretary of Agriculture who was a member of the Cabinet. Norman J. Coleman...was the first Secretary. He served three months, to be succeeded by Uncle Jerry Rusk...a quaint character, of whom it was said 'he done his damnedest; angels could do no more.' Thus the farm problem grew into full recognition, and thus the unhappy job of Secretary Jardine was created."

Section 2

Business Outlook

Theo. H. Price, writing in Commerce and Finance for August 4, says: "Looking over the trade papers and reports, one finds himself impressed by the number of encouraging statements published. President Coolidge is said to 'find trade conditions favorable,' while the Department of Commerce and the Federal Reserve Banks are singing an antiphonal chorus whose main theme is the prosperity of the Nation. The stock market is booming again under the leadership of U.S.Steel and General Motors whose earnings are sensationally big; and wheat, corn, copper, cotton goods and cotton have developed a strength that has surprised many. As usual when there is anything like consonance in the price movement, there are many who attribute it to some basic and all-inclusive influence. Thus an advance is explained by an allusion to inflation and deflation is assigned as the cause of any general decline....If they are candid, most men whose business experience antedates the war will admit that present conditions seem unreal. Hence it is argued that they are too good to be true and that sooner or later we must get back to the level of 1912-13. In support of this pessimistic view attention is called to the condition of agriculture and the claim that the tariff has made it possible for one-half of the people to prosper at the expense of the other half. It is alleged that the farmers are able to enforce their demands for protection; that the result will be a more widely diffused but less obvious prosperity, and that there will be a reaction in industry when the stimulus it now enjoys is divided with agriculture. Governor Lowden puts the idea euphemistically in saying: 'We must contrive some way to make the tariff serve agriculture equally with other industry.' This may be an unattainable counsel of perfection, but the insistence with which it is urged bespeaks a dissatisfaction with present conditions that is, so to speak, the only fly in the ointment of the prevailing optimism."

Georgia Tobacco Market

A Waycross dispatch to the press of August 4 says: "Georgia's tobacco crop this year will prove a record breaker as to quality and price, it was indicated at Waycross August 3 by initial prices on the opening of the tobacco market. The price at the farmers' warehouse jumped from 8 to 26 cents a pound within three minutes after the auction began, and tobacco men said higher prices will obtain as the quality of the tobacco improves. Tifton, Ga., reported prices of 25 cents a pound, 25 per cent better than last year. Prices at Valdosta ranged from 22 to 38 cents. At Quitman 52,212 pounds were sold for $13,448.58."

Milk Protection in Britain

An editorial in The Field (London) for July 22 says: "The Minister of Health issued last week the long-expected Milk and Dairies Order which is to regulate the conditions under which milk is produced and handled in this country. The Order, which has been made with the concurrence of the Minister of Agriculture, is to come into operation from October 1st next, but actually its effects will not be felt for some months to come. Evidently the Ministry of Health recognizes that changes in farming practice can only be brought about slowly, for provision has been made for a period of grace of eighteen months after the Order comes into operation... It is well that the conditions necessary for the production of wholesome milk should be set out clearly, as is done in this Order, and that careless producers should be brought into line, by law if necessary, with the requirements of the present day. The interference of Government officials in the business of the farmer is objectionable, but in the interests of public health the law of the land must lay down reasonable

regulations for the production and handling of such a highly susceptible food as milk. The requirements of the present Order are no more than most progressive dairy farmers have deemed advisable for some years past. ...The new Order requires that every cowkeeper and dairyman shall be registered with the local sanitary authority, and that the veterinary inspectors of the county council shall make such inspections from time to time as may be necessary.....The farmer has, of course, the right of appeal to the local authority against the decision of the veterinary inspector. The manifold requirements of this new Order from the Ministry of Health may at first cause some apprehension in the minds of dairy farmers who have not every modern convenience at their command, and certainly its enforcement will not tend to reduce the costs of milk production. But, if local authorities use their powers with discretion and understanding, no harm but only good should come from this move to safeguard further the health of the consuming public."

Tobacco in Florida and Georgia

An editorial in The Florida Times-Union for July 22 says: "Florida and Georgia tobacco growers are setting an example for farmers generally. They are proceeding with their business along business lines. Generally, they are succeeding. Those who are not doing the best possible are the ones who continue to grow and sell tobacco along old and worn out lines, having neither system nor business methods in what they are trying to do....The growing of tobacco has become such an extensive industry in Florida and Georgia, following other States of the South in which tobacco growing, on extensive scales, has been prominent for many years. It is quite true that even in the two States named tobacco growing has been more or less of a farm crop, especially in the northern portion of Florida and in the southern and middle portions of Georgia. But in recent years there has been a forward spurt, the result being that more farm acreage now is being devoted to tobacco than formerly; also, that better growing and better financial results are being secured. Very much of the improved conditions in the tobacco growing areas is due to education, to learning, first, how to grow tobacco and second, how to market it, with very much in between, as cultivation, fertilization, curing, grading, and the like. In several years past, expert, or practical, tobacco growers and marketers have come by invitation of farm owners anxious to know all that is to be known in the matter of planting, cultivating and harvesting tobacco, and in the selling of the finished product. As this practical information has been acquired so has there been more of success in the tobacco growing industry. The tobacco growers, willing to learn, have profited to a very appreciable degree and many of them are deriving substantial incomes from their industry, that now is based on sound experience and business ability...."

Section 3

Department of Agriculture

An editorial in The Journal of Commerce for August 5 says: "A favorite statistical sport of the Department of Agriculture is to compare farmers' incomes with the wages of industrial workers. The invariable result is to prove that the agriculturist occupies a position of economic inferiority which is steadily growing worse in relation to that of manual and mechanical labor in the urban districts. The latest computation of this sort admits that the farmer is doing a little better this year than last, but his plight is still said to be woeful by comparison with that of other wage workers. Needless to say, the methods employed to measure the farmer's prosperity take so little account of his

peculiar economic position that he will continue to be regarded as a 'child of misfortune' until more realistic standards for measuring his well-being are substituted for the present ones. In the first place, many thousands of farmers belong in the category of small capitalists and employers of labor. As such, the value of the work they do for themselves is often difficult to appraise, nor is interest allowable on capital investment easy to figure out. According to the Department of Agriculture, farm operators earned on their net investment, including management, after paying rent and interest on debts, 3.5 per cent. Considering that this result is achieved after food, fuel, consumption and housing costs have been allowed for, the city worker may wonder a little what possible comparison exists between his situation and that of the fortunate farmer. He will be surprised to hear that the average farm family occupies a most unenviable position by contrast with his preferred status."

Section 4
MARKET QUOTATIONS

Farm Products

Aug. 5: Virginia Irish Cobbler potatoes ranged 25¢ to $1 lower at $2.75 to $4.25 per barrel in eastern markets. New Jersey sacked Cobblers weaker at $1.75 to $2.65 per 100 pounds in the East; mostly $2 f.o.b. Central New Jersey points. Georgia Elberta peaches 25¢ to 50¢ lower at $1.25 to $2 per six-basket carrier and bushel basket in consuming centers; $1 to $1.25 f.o.b. Macon. California Salmon Tint cantaloupes closed at $1.25 to $1.50 per standard 45 in terminal markets. Georgia North and South Carolina Tom Watson watermelons 24-30 pounds average, brought $150 to $285 bulk per car in distributing centers; $100 to $125 f.o.b. Macon.

Chicago hog prices closed at $13.25 for the top, bulk of sales $9.80 to $12.50. Beef steers choice $9.65 to $10.75; heifers, good and choice, $7.65 to $10.25; cows, good and choice $6.50 to $8.25; low cutter and cutter $3.50 to $4.60; vealers, medium to choice, $10.25 to $14.50; heavy calves, medium to choice, $6.75 to $9; stocker and feeder steers, common to choice, $5.25 to $3; fat lambs medium to choice $12.50 to $14.50; yearling wethers, medium to choice, $10.25 to $12.75; fat ewes, common to choice, $5.25 to $7.85; feeding lambs medium to choice, $11.25 to $13.75.

Grain prices quoted August 5: No.2 red winter Chicago $1.37; St.Louis $1.36. No.2 hard winter Chicago $1.38; Kansas City $1.37. No.2 yellow corn Chicago 85¢; Kansas City 87¢. No.3 yellow corn Chicago 83¢; St.Louis 84¢; No.3 white corn St.Louis 86¢; No.3 white oats Chicago 40¢; Kansas City 41¢.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 39¢; Philadelphia 41 1/2¢; Boston 41¢.

Middling spot cotton in 10 designated spot markets advanced 4 points, closing at 17.93¢ per lb. New York October future contracts advanced 2 points, closing at 17.28¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Aug. 5,	Aug. 4,	Aug. 5, 1925
20 Industrials	163.34	163.23	135.73
20 R.R. stocks	115.43	115.60	100.02

(Wall St. Jour., Aug. 6.)

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DAILY DIGEST

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Vol. XXII, No. 32 Section 1 August 7, 1926.

NEW YORK MILK GRAFT The New York Times to-day reports that William H. Kehoe, former New York Assistant Corporation Counsel, was found guilty last night of conspiracy in the bootleg cream graft scandal.

RUBBER BAN MAINTAINED A London dispatch to the press to-day says: "The Colonial Office issued a statement last night which extinguishes the hopes entertained yesterday that the Stevenson rubber restriction scheme might be abolished at the end of the present quarter. The statement apparently was intended to convey the information that if spot price rubber does not average a shilling and ninepence a pound during the quarter ended Oct. 31, the amount of rubber which may be exported during the three months beginning Nov. 1 at minimum rate of duty will be reduced from 100 to 8 per cent of the standard...."

PLANT'S "HEARTBEAT" HEARD An Oxford, England, dispatch to the press to-day reports: "Rarely in all its history of nearly a hundred years of scientific achievement has the British Association for the Advancement of Science witnessed a more remarkable scene than yesterday afternoon's, when Sir Jagadis Chandra Bose, the Hindu savant, demonstrated to an audience listening with absorbed interest the experiments by which he says he has proved that plants live lives akin to the lives of human beings. Using instruments of almost incredible delicacy, one of which he had never exhibited before in public, the Oriental scientist showed his spectators the 'heart' of a plant 'beating' and the 'blood' of a plant 'flowing' in a manner which, according to him (and his audience was more than inclined to believe it), was far more similar to the phenomena connected with human life than science was willing to admit. After explaining his theories by actual experiment, Sir Jagadis declared that present scientific conceptions of plant life were erroneous....."

NEW YORK FUR AUCTION A New York dispatch to the press to-day states that active buying of wolf and raccoon featured the closing sessions of the Huth fur auction at New York yesterday. Together with northern muskrat on the first day, these articles supplied the 'bright spots' of the sale.

FRENCH-GERMAN TRADE ACCORD A Paris dispatch to the press of August 6 says: "After twenty months of negotiations, signatures were affixed August 5 to the Franco-German commercial treaty. Owing to certain questions not yet definitely settled the accord is for a six-month period only, but is renewable by tacit understanding every half-year. The agreement replaces three modus vivendi adopted in April and September, 1925, and March, 1926, which covered only certain groups of the respective exports and imports of the two countries. The accord covers almost the full range of trade between the two nations and was facilitated by a series of private agreements reached between the French and German iron and steel makers, in which several other nations were also participants...."

Section 2

Cooperative Marketing An editorial in Iowa Homestead for July 22 says: "....Our largest and most successful cooperatives are not concerned about cost of production figures in the sense that they hope to establish prices on such a basis. Experience has shown that to be impossible. What they are interested in is finding more economical ways of marketing the farmer's products and of paying him according to the quality of the goods he delivers for the market. These organizations have found that as soon as the producer is paid according to the quality of his products he at once takes steps to produce a superior article, gets a better price and thereby helps himself to increase his income....The cooperative movement will prosper to the extent to which it succeeds in lowering marketing as well as production costs, and in both directions the field for improvement is large--much larger than most farmers realize. Those who hold out the hope that through cooperation the farmer will ultimately reach the place where he can arbitrarily set a price on his products, irrespective of market demands, and get that price, are doomed to failure from the very start. The so-called farm leaders who are preaching price control, based upon cost of production plus a reasonable profit, are manifestly on the wrong track and are hindering rather than fostering the cooperative movement. The properly managed cooperative can do a great many things for the farmer, but price control, based upon cost of production plus a reasonable profit, is one of the things it can not bring about, and the sooner propaganda to that effect is dropped the better it will be for all concerned."

Cream Grading Butter, Cheese and Egg Journal for July 21 says: "We are fully convinced that right now greater progress is being made in cream improvement than ever before. From all parts of the country come reports of cream grading and paying according to quality. Not much noise about it, but real constructive efforts are being made to get better milk and cream. The old idea that it doesn't pay to work for higher quality is losing ground. We are on the way to better days for this great industry."

Wheat Situation An editorial in The Wall Street Journal for August 5 says: "A break of over 3 cents in September wheat, 4 in December and an advance of 1 1/2 cents in December corn were the sensations of the grain market on August 2. Private crop reports showing an unexpectedly large increase in winter wheat, with reports of rains in Canada accounted for the break in wheat while reduction in the estimated corn crop put up that price for December delivery. Snow, Murray and other prominent crop experts were in agreement that the wheat crop would be considerably above the official estimate made a month earlier. The Snow estimate was for 643,000,000 bushels of winter and 208,000,000 of spring wheat, as of August 1. The official estimate on July 1 was 568,000,000 bushels of winter and 200,000,000 of spring wheat, making a total of 768,000,000 bushels. But according to this private report, the August 1 condition and threshing returns indicate a total of 851,000,000 bushels. This gain of 83,000,000 bushels naturally would have a depressing effect upon the market, because being almost entirely winter wheat, it means a correspondingly larger increase for the market to absorb at the moment. But it is by no means certain that there is that much more in the world supply. The Canadian crop is by no means certain. There is an unusual variety of reports and estimates to choose from, but actual facts are more difficult to obtain....Snow estimate is the largest of the private experts' figures. But taking that, and the Dominion estimate of a month ago, the North American wheat crop is about 200,000,000 bushels

larger than last year. Against this is the fact that our carryover is about 24,000,000 bushels less than last year while Canada's will not show much change. The stocks in other exporting countries are also at last year's level, and in some importing countries are almost exhausted. The European crop also is less than last year. From these facts, based on the maximum estimates for the United States and allowing for no damage in Canada since the official report, the conclusion is that we have not too much wheat."

Section 3

Department of Agriculture

An editorial in The Breeder's Gazette for August 5 says: "If there be any lingering doubts anywhere as to the value of Government grading of beef as a means of preventing fraudulent practices inimical to the interests of feeders, the announcement by the Department of Agriculture last week of the reform already effected in connection with the provisioning of transatlantic liners will convince the most skeptical....If every similar situation in the dressed beef trade in the United States could be cleared up as effectually as has been done in this case, anybody can see where a larger demand would soon set in for quality beef. The campaign is in full swing with the big railway systems leading a publicity movement that is to have far-reaching effects...."

Section 4

MARKET QUOTATIONS

Farm Products

August 6: New York wholesale fresh meat market (western dressed), is steady on steer beef, $4 higher on veal, $2 higher on lamb, $1 lower on mutton and firm to $1 higher on pork loins.

Virginia Cobbler potatoes ranged 25¢ to $1.25 lower at $2.75 to $4.25 per barrel in eastern cities. New Jersey sacked Cobblers $2 to $2.65 per 100 pounds in city markets; $2 to $2.15 f.o.b. Georgia and North Carolina Elberta peaches weak at $1.25 to $1.75 per six-basket crate and bushel basket in consuming centers; 90¢ to $1 f.o.b. Macon. Maryland Salmon Tint cantaloupes firm at $1.50 to $2 per standard 45 in eastern cities. Georgia, North and South Carolina Tom Watson watermelons, 24-30 pound average, firm in most markets at $175 to $350, bulk per car; $100 to $125 f.o.b. Macon.

Grain prices quoted August 6: No.2 red winter Chicago $1.38; St.Louis $1.36. No.2 hard winter Chicago $1.39. No.3 yellow corn Chicago 82¢; Minneapolis 83¢; St.Louis 83¢. No.3 white corn Chicago 84¢. No.3 white oats Chicago 40¢; Minneapolis 39¢; St.Louis 41¢.

Closing prices on 92 score butter: New York 40 1/2¢; Chicago 39¢; Philadelphia 41 3/4¢; Boston 41¢.

Middling spot cotton in 10 designated spot markets advanced 11 points, closing at 18.04¢ per lb. New York October future contracts advanced 14 points, closing at 17.42¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Aug. 6,	Aug. 5,	Aug. 6, 1925
20 Industrials	164.16	163.34	135.71
20 R.R. stocks	116.66	115.43	99.78

(Wall St. Jour., Aug. 7.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 33 Section 1 August 9, 1926.

CONFERENCE OF GOVERNORS

A Des Moines dispatch to the press of August 8 states that Governor Hammill announced August 7 that the executive committee of Governors who met recently at Cheyenne, Wyo., had decided to call a conference of Governors of States of the agricultural West and the industrial East, to discuss the agricultural situation. The meeting is to be held in October, but the exact time and place have not been decided upon. The purpose of the proposed meeting is to attempt to bring about an understanding between Eastern and Western States as to the agricultural needs of the whole country and to present the situation as it has affected farmers of the Western States.

NEW YORK MILK FRAUDS

The New York Times to-day reports: "Former Supreme Court Justice Charles H. Kelby, appointed by Mayor Walker as special assistant corporation counsel to aid Dr. Louis I. Harris, Health Commissioner, in his milk graft investigation, intends to broaden the scope of the inquiry to include all forms of alleged graft and corruption in matters coming under the jurisdiction or supervision of the Health Department. This will mean an investigation of dealings in poultry, butter and eggs and other foods...."

An editorial in the same issue says: "On the face of it, Mayor Walker's appointment of ex-Judge Kelby as special counsel in prosecuting the milk grafters in this city certainly looks like a determination to pursue the scandal in all of its ramifications....The Citizens Union still thinks that Governor Smith ought to direct an inquiry by the Attorney General of the State. The reason given is that the mischief should be traced to all the counties supplying New York with milk. But the counties comprised in greater New York surely ought first to be given the opportunity to clean their own house....Nothing meaner in the way of official venality can be imagined than grafting off the milk supply of a great city. It is even worse than putting wood alcohol into bootleggers' whisky. The buyers of such poison assume their own risks. But the milk served to babies and hospitals is certified to by municipal inspection. If it is dishonestly impaired in food value or allowed to carry the possibilities of infection to children, the offense is rank and smells to heaven....."

WHEAT IN TEXAS

The Philadelphia Ledger to-day says: "In the Texas Panhandle, where wheat growing is comparatively new, farmers have raised 30,000,000 to 35,000,000 bushels. The yield to the acre has been so large and the price so satisfactory that many farmers have been able to pay for land bought within the last two years and make many improvements on their properties. Newspapers in that section are full of these stories, citing how unusual it is for farmers to have such a streak of luck. On the other hand, reports sent by the Corn Belt Committee, which is handling the farmers' relief legislation movement, show that, allowing for a profit of 5 per cent it has cost farmers in the Corn Belt $1.40 to $1.45 a bushel to raise corn."

Section 2

American Homes

An editorial in The Washington Post for August 6 says: "The Department of Commerce reports that the construction work of the Nation, that is, the building of homes, public buildings, railroads, river and harbor works and water works, now takes first rank among all the activities of America. Construction work influences lumber production, fabricated iron and steel products, paints, plumbers' supplies, transportation, and many other industries. It is estimated that construction work during 1925 in 36 States reached a total value of $5,822,000,000, which was 30 per cent in advance of 1924. The 1925 construction work of the entire country reached a total in value of more than $6,600,000,000. The contracts for homes in 36 States during 1925 amounted to more than $2,672,000,000. This activity, considered in connection with automobile development, is proof that the American people are rapidly becoming a people of individual homes, largely suburban...."

British Fruit Supply

Out of one hundred apples eaten in Great Britain in 1924 38 were supplied by the United States, according to an official blue book of the British Government just received by the Bankers Trust Company of New York from its British information service and, of the bananas used in Great Britain, 23 out of 30 consumed came from Central America and Jamaica to the United Kingdom through an organization under American control; and, while the actual amount used was not large, it may be noted that 72% of the grapefruit consumed came from the United States. On the other hand, of the 70 oranges consumed per capita 57 were supplied by Spain. The principal fruits used by the British people are apples, oranges and bananas. With a view to promoting inter-imperial trade, an imperial economic committee was appointed with instructions to consider the possibility of considering methods for preparing for market and marketing within the United Kingdom the food products of the overseas parts of the Empire in order to increase the consumption of such products in the United Kingdom in preference to imports from foreign countries and promote the interests both of producers and consumers....After a thorough analysis of the situation, this commission arrived at the conclusion "that the only practicable method whereby the United Kingdom can assist the Empire producer is by a system of voluntary preference by the consumer in the United Kingdom." It was found that, on account of agreements existing with the United States and other countries, it would be impossible to institute any methods of preventing the importation of fruits from foreign countries, and, therefore, that the only method of changing the present preferences of fruit consumers for apples from the United States, bananas furnished through a United States corporation and oranges from Spain would be by influencing the consumer voluntarily to seek the products of overseas British countries. This report is of interest to all American fruit growers because of the detailed manner in which the methods of selling fruit in Great Britain are described and also because of the care which is taken to describe the methods used in the United States and other countries to secure the most advantageous marketing of their products....."

Canadian Independence

"Canada Faces Momentous Decision" is the title of an article by E. D. King in The Magazine of Wall Street for July 31. Mr. King says in part: "A vast political drama in Canada is entering its crisis. For the moment, the principal actors loom up strongly, but even their vivid personalities are overshadowed by tremendous issues, the outcome of which may deeply affect the Canadian and British people. And back of the

shadows cast by these issues always looms the enigma of the future relations between Canada and the United States. Canada is increasingly confronted with a problem which becomes more urgent as the years pass. Shall she stay in the British Empire or take further steps to secure definite independence? Obviously, the solution of such a large-scale problem can not come about in a short time but it seems that the nature of the solution in considerable degree will be settled at the forthcoming national elections."

Cooperation in Saskatchewan

An editorial in The Christian Science Monitor for July 27 gives a history of grain growing and grain marketing associations in Canada, saying in part: "The development of self-help and cooperation among the farmers of Saskatchewan during the past few years has been astounding, while the benefits therefrom have been beyond all expectations. There has been a great awakening which may be interpreted as a sign of the times. Some twenty-five years ago there was organized the Saskatchewan Grain Growers' Association, which served a social, educational and economic need of the farmers. A number of years after that followed the formation of the Saskatchewan Cooperative Elevator Company, Ltd., a line elevator company owned and operated by the farmers of the Province....At this stage of development there were thus four large farmers' organizations--two pairs--which were more or less at opposites, viz.; Grain Growers' Association vs. the Farmers' Union, and Saskatchewan Cooperative Elevator Company, Ltd., vs. Saskatchewan Wheat Pool....The farmers saw the dangers confronting them and began to take active steps toward their removal. The first step was taken when the farmer shareholders of the Saskatchewan Cooperative Elevator Company agreed by an 83 per cent majority to sell all the holdings of their company to the Wheat Pool. The second step is seen in the amalgamation of the Saskatchewan Grain Growers' Association and the Farmers' Union recently accomplished. The Wheat Pool and the United Farmers of Canada, Saskatchewan section, are entirely separate and not in any way identical organizations; the one is a marketing agency and the other is an educational agency. Nevertheless, the realization of unity within the latter adds to the potentiality of the former. Thus the story of the farmers' movement in Saskatchewan is truly a remarkable one, demonstrating that unity and cooperation can solve many of the farmers' problems. Indeed, it may not be too much to claim that cooperation will assist materially in the solution of the immigration problem in Canada.... by assuring the farmers of financial returns commensurate with the cost of production; by raising the standard of living on the farms and through the cooperative sense permeating the consciousness of the people that the best and noblest in its people will be developed to produce a happy and contented people; such favorable conditions will do much to attract settlers from other countries."

Corn Crop

An editorial in The Wall Street Journal for August 6 says: "There is more than an even chance that corn will furnish the grain market with a thrill in the near future. All depends upon the amount of moisture the belt receives in the next week or ten days, and later the date of killing frost. At the moment it looks as if corn is running a losing race. While the crop came into July with a bad start and an estimated production of 2,661,000,000 bushels, it had a fair chance of recovering to the average of 2,800,000,000. Through July there were reports of improvement in some sections and deterioration in others, but having little effect upon the general condition. Now drought complaints are increasing while the

weather is very hot....Just how much damage has been done in the past few days is uncertain. The B.W.Snow estimate as of August 1 was for a crop of 2,566,000,000 bushels and that of Nat C. Murray 2,600,000,000. Both are smaller than the official estimate of 2,661,000,000 bushels as of July 1. While an estimate made at the end of July may be materially changed in the harvest it is well to take these private preliminary estimates and see what a crop approximating either of them would mean. The corn crop averages 2,849,000,000 bushels and the carryover 180,000,000. This makes a five-year average supply of slightly more than 3,000,000,000 bushels. Last year crop and carryover amounted to a little less than that figure. Indications are that the carryover this year will be fully up to the average of 180,000,000 bushels. Add that amount to either one of the private estimates and an idea may be formed of the probable supply as it appears at this time."

World Wheat Supplies

"Outlook for World Wheat Supplies" is the title of an extensive article in Commerce Monthly (New York) for August. This says in part: "The world price of wheat during the coming season will depend to an unusual degree upon the cutturn of the Canadian crop. Unless that crop is a generous one, another season of close balance between supply and demand is in view, at least until the fate of crops in the Southern Hemisphere is known. As the current season draws toward its close, supplies of old-crop wheat appear everywhere to be low, so that little in the way of carryover can be counted upon to augment the new crop. The excellent harvest in western Europe last year permitted a decrease of nearly a hundred million bushels in imports into that region during the current harvest year. But the extremely short crop of hard winter wheat in the United States, together with somewhat disappointing yields in India and the Southern Hemisphere, brought export supplies into close adjustment with the demand for them. The relatively high price which prevailed through most of the season helped to curtail consumption, and definite efforts were put forth in certain European countries to cut down imports of foreign wheat. Reports of damage to the new crop have come from various parts of Europe eliminating the hope of an outturn equal to last year's, but unless unfavorable weather persists there is reason to expect a fair average crop. Nevertheless, some increase in imports may be looked for. On the export side, the July 1 estimate gives the United States a total crop about 100 million bushels greater than last year. This increase will just about offset the probable decrease in the crop of western Europe, as indicated by condition reports so far. The Indian crop, harvested in May, yielded practically the same total as last year, so that no substantial contribution toward world supplies can be expected from that source. With the exception of problematical supplies from Russia, Canada is the only other important source of wheat imports until the crops of the Southern Hemisphere become available in the early part of 1927.... In this discussion of world supplies no particular allowance has been made for Russia and the Balkan countries. In no season since the close of the war have these countries made material contribution to the world's wheat supply. The new crop promises a better yield than last year's and Russian acreage is reported to be larger, but there is no assurance of the extent of increased exports. Any excess of exports over last year's will certainly tend to ease the international supply situation, but it can scarcely offset serious crop failures in either Canada or the Southern Hemisphere."

Section 3
MARKET QUOTATIONS

Farm Products For the week ended August 6: Hog prices at Chicago continued to decline throughout the week while the prices of beef steers, cows and heifers, advanced gradually and vealers rather sharply., heavy calves also show substantial gains over a week ago. Stocker and feeder steers registered declines. Fat and feeding lambs are lower while yearling wethers and fat ewes are somewhat higher than last Friday.

Virginia Cobbler potatoes ranged 25¢ to $1.25 lower at $2.75 to $4.25 per barrel in eastern cities. New Jersey sacked cobblers $2 to $2.65 per 100 pounds in city markets; $2 to $2.15 f.o.b. Kansas and Missouri Cobblers about steady at $1.60 to $1.75 on the Chicago carlot market; $1.40 to $1.55 to growers in the Kaw Valley. Georgia and North Carolina Elberta peaches weak at $1.25 to $1.75 per six-basket crate and bushel basket in consuming centers; 90¢ to $1 f.o.b. Macon. Arkansas Elbertas $1.75 to $2.25 per bushel basket in the Middle West. Maryland Salmon Tint cantalcupes firm at $1.50 to $2 per standard 45 in eastern cities. Georgia, North and South Carolina Tom Watson watermelons, 24-30 pound average, firm in most markets at $175 to $350 bulk per car; $100 to $125 f.o.b. Macon.

Grain markets easier with foreign markets lower. Good mill demand and improved export inquiry. Corn lower with more favorable weather. Cash two to three cents below last week. Oats down three to four cents on lighter demand.

Butter markets were steady to firm during the week ending August 6. Slightly lower prices failed to stimulate demand. Quality showing bad effects of hot weather. Good rains in many important sections expected to slow up declining production. Closing prices on 92 score: New York 40 1/2¢; Chicago 39¢; Philadelphia 41 3/4¢; Boston 41¢.

Cheese markets show practically no change during week. Production continues to fall off, and unfavorable weather conditions have also hurt quality, thus reducing the quantities of fancy goods which are available. Wholesale prices at Wisconsin primary cheese markets August 5, 1926: Single Daisies 20¢; Longhorns 20¢.

Average price of Middling spot cotton in 10 designated spot markets, declined 30 points during the week, closing at 18.04¢ per lb. New York October future contracts declined 27 points, closing at 17.42¢.

Hay market steady on best grades. Moderate arrivals about equal demand eastern markets. Higher prices Cincinnati with scarcity good hay. Most new timothy good quality. Alfalfa demand improving, supply adequate. Prairie steady, good grades readily absorbed. Stockyards liberal buyers for storage. No.1 timothy New York $30; Cincinnati $19; Chicago (old) $25; St.Louis $19; No.1 alfalfa Kansas City $17; Omaha $17. No.1 prairie Kansas City $13; Chicago $18; St.Louis $17; Minneapolis $18. (Prepared by Bu. of Agr. Econ.).

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Vol. XXII, No. 34 Section 1 August 10, 1926.

"FUZZLESS" PEACH PRODUCED A Carbondale, Ill., dispatch to the press to-day says: "A fuzzless peach has been produced by H. L. Endicott of Ella Ridge, as the result of experimentation in tree grafting. He has produced both free and clinging stone in the new variety, which is believed to be the first of its kind created by a practical orchardist in the United States."

PHILIPPINE RUBBER BILL A Manila dispatch to the press to-day says: "A bill, known as the Rubber Land Act, was introduced in the lower house of the Philippine Legislature yesterday. It provides for leasing a maximum of 450,000 acres of land to any one corporation for rubber production. The bill stipulates that 61 per cent of any such corporation must be owned by citizens of the United States or of the Philippines. The land may be leased for a period of seventy-five years. At the end of seventy-five years, the land reverts to the Philippine Government. The bill would require that 25 per cent of the land be planted to rubber within fifteen years after execution of the lease....In his message to the Legislature when it opened this summer, Governor General Wood urged that some measure be adopted that would expedite and facilitate rubber production, but he cautioned the Legislature to include safeguards in any law adopted that should insure the people of the Philippines and to the United States prior rights in the development and retain control of the land and its development within the islands."

SIR DANIEL HALL ON FOOD SHORTAGE An Oxford dispatch to the press to-day says: "A world-wide food shortage is approaching inevitably unless scientific research finds a way of increasing food production, according to Sir Daniel Hall, who made a striking address at yesterday's session of the British Association for the Advancement of Science. Sir Daniel painted a gloomy picture of future conditions, declaring that he was unable to see where new land was to come from to meet the growing world demand for food. Arable land is running short, Sir Daniel pointed out, while the white population of the world is increasing at the rate of 5,000,000 annually. Vegetarianism might be a remedy, he hinted, since in crowded China and India the population can be supported on a given area of land on a meatless diet. However, continued Sir Daniel gloomily, 'I can not help thinking that the race--not the individual--which cuts out meat and alcohol in order to multiply, is only a permanent slave type destined to function like worker bees.'

"Sir Daniel's statements moved several other savants to discuss the question, America playing an important part in their statements. Commenting on Sir Daniel Hall's prophecies about a food shortage, Professor D. H. MacGregor pointed out that many prophets of gloom had been proved wrong and that there was a big reserve of hope for the world's food supply in the factor of the intensification of wheat yields when agriculture should become more industrialized."

Section 2

Closed Bank Reopenings

An editorial in The Journal of Commerce for August 9 says: "News comes that the State of Georgia is 'speeding up' plans to reopen some thirty-two of the eighty or more banks that recently closed in that State. It is to be hoped that they will not, like the great case of Bardell versus Pickwick, 'prove to have very little in them after being opened.'.. ...What has been done in States where bank failures have been numerous has been to 'reopen' the banks that have failed, whether by hook or by crook. In Nebraska, where the guarantee fund system has been raging for a good while past, they are so anxious to reopen failed banks that they practically run these insolvent institutions in the hands of State officers, making new loans and meeting the demands of new (though not of old) depositors in order that the public may not be deprived of banking 'facilities.' And inasmuch as the public is presumably 'protected' by the guarantee fund itself there seems to be no particular reason why any effort should be made to put banking back to a safe and sound basis....As to the Federal Reserve system, that is regarded and is advertised by various of the chain banks of the country as a 'copy of the chain system.' The chain banks have never affiliated with the Federal Reserve banks of the districts in which they are situated; on the contrary, they have been inclined to make war upon the Federal Reserve. They have been leaders in the movement to prevent the par collection system from working, and in their efforts to obtain judicial decisions against it they have been supported by the banking authorities and the legislators of not a few of the States....There is no use whatever in reopening closed banks if they are going to be 'run' exactly as they were before they were closed. In fact, such reopening is worse than leaving them inactive....An entirely new point of view on the whole banking question is urgently needed and ought to be demanded by the business public, which is the chief sufferer from present conditions."

Corn Belt Conference Figures

An editorial in The Commercial and Financial Chronicle for August 7 says: "While the real farmers were in the fields 'laying by' the corn, their leaders and would-be rulers met in conference at Des Moines on July 19 and 20 to determine what should be done with the crop when it matures. They determined, first, that they were in favor of maintaining American standards of living for all the people, but did not entirely specify what these standards are. And it is fair to infer from this that the 'leaders' believe the farmer suffers in that respect....There is some expense about the conduct of a farm marketing association, but this the farmer must not be asked to pay. All other associations selling in foreign and domestic markets pay their own way, but the farmer can not 'stabilize' domestic trade if he is compelled to do this. He ought to be able to do this, he ought to be able to do anything, if he can raise corn at a loss of 70 cents a bushel for five years at a stretch and still be a going concern. The leaders say he is not. They say that the farm indebtedness of the Nation jumped from four billion to twelve and a quarter billion dollars between 1910 and 1920. Two billion one hundred million loss per year in five years is $21,000,000,000 in ten years. (Don't mind the discrepancy in date periods.) Thus the loss of 70 cents a bushel on the cost price of corn accounts for eight billion dollars debt (to say nothing of the loss(?) on wheat and other products) of the farmers of the country. Why not try to grow something else in this far-famed Corn Belt? It sounds like pouring water into a hole. Yet corn at the right price can stabilize our domestic trade. Undoubtedly corn is King! We are tempted to offer some figures, though with trepidation. On land that can be bought

for $200 per acre it is easily possible to raise 75 bushels of corn per acre. But let us put the yield at 50 bushels per acre. At 70 cents per bushel this is $35 per acre, or $5,600 for 160 acres, the average farm. Deduct $600 for a commercial motor vehicle and $1,500 salary for the farmer-owner; leaving $3,500 to pay all other expenses, taxes and interest on the investment. Is it fair to figure more than a nominal investment for machinery on a purely corn farm? Surely there is a goodly margin left Does this farmer want to live without work? He ought to own some part of the investment and not have to pay interest on the total value. Could he earn $1,500 per year at any other business? Is the motor vehicle necessary? Can he hire two 'hands' at six hundred dollars each per year? Will his State and county taxes at one-third value run over an average of $200 per year? Is 5% an average interest rate? Perhaps we ought not to be too positive, as we are not in the business of farming. But these figures of the leaders, any way you look at them, are simply ridiculous...'

Domestic Rubber Production

An editorial in The New York Times for August 6 says: "The report to the President by Harvey S. Firestone, jr., that his investigations in the Philippines have convinced him that rubber can be grown in Mindanao and the Sulu Islands, to the benefit of both Americans and Filipinos, confirms the report brought back by the special investigators for the Department of Commerce....Mr. Firestone spoke of an area of 500,000 acres to be set aside in Mindanao for rubber growing by American corporations. This would be a princely heritage, capable of an annual production of 200,000,000 pounds, or about a quarter of the annual rubber consumption of the American people. There are at least 1,000,000 acres more in the Philippines fit for rubber culture. The great problem is how to make them available for development. About this there have been differences of opinion....If ever the land question can be settled and the necessary labor obtained, Mr. Firestone's forecast that most of our rubber needs can be filled by production in the Philippines is likely to be verified."

Foot and Mouth Disease in Britain

The Field (London) for July 29 says: "The foot and mouth disease position is far from satisfactory. The Minister of Agriculture has taken action to stop one of the most dangerous sources of infection--carcasses from the Continent--but still the disease gains ground. Fresh cases were reported last week in both Lanarkshire and Cheshire, and there is no definite evidence to show how the disease has spread from the original centers of infection. From the investigations which the Minidstry of Agriculture has made it can only be concluded that the infection has been carried considerable distances by human agencies."

Grouse Season

The press of August 9 states that acting on the recommendation of the State Game and Fish Commissioner, Governor Christianson of Minnesota recently issued an executive order continuing the close season on ruffed grouse through 1926. This action is in line with recommendations made by the American Game Protective Association that the closed season be applied this year in all States which have suffered from the widespread grouse malady that has reduced the stock of birds throughout the greater part of the grouse range.

Kansas Agriculture

An editorial in The Wall Street Journal for August 9 says: "If Kansas could sit for a photographer to-day the picture would be one of prosperity and contentment. The courage with which Kansas and the whole Southwest have met hard conditions since 1920 make the present turn in the tide all the more pleasing. All this year's promises have been hardly

won and are deserved. A large milling company of Kansas sends a front page editorial of the Kansas Farmer, which is one of Senator Capper's publications. The editorial does not sound at all like the hard luck speeches that have been appearing in the Congressional Record. But all the facts stated by it are in line with reports received through correspondents of The Wall Street Journal. It appears as if the Farmer has ample ground for all it says. In fact, it is extremely conservative in its statement of grounds for a 'Brighter Farm Outlook'. It states that the Kansas wheat crop alone will bring from $160,000,000 to $175,000,000 to the State. It speaks of the prosperity the enormous crop has brought to the southwestern part of the State. It might have gone further and told how the crop failure in all that region in 1923 left the southwestern farmers stranded. But instead of turning bolshevist they kept on working Capital formed pools and advanced seed on a share basis. Whatever those farmers get now is but the reward of a courageous working out of their own salvation. Kansas is not merely a big wheat field. Livestock and diversified farming account for a great deal of its production. Attentio is also called to general business conditions in the consuming centers which mean good prices for the products the farmers have to sell. The editorial therefore is not a retrospect but deals with the present and the future. 'Kansas agriculture,' says the Farmer, 'faces the future with more confidence than was evident a year ago.' This surely is cheerful reading....Our southwestern farmers have at times sat down to mighty poor fare. But there is something in the Book of Proverbs that assures us that the man who is diligent in business will sit down with kings."

Pool Contracts in Canada

An editorial in The Farmer's Advocate (Ontario) for August 5 says: "About a year ago we referred in these columns to the fact that, technically, the western pools had suffered a defeat in the courts of Saskatchewan. The Saskatchewan Wheat Pool brought one of their members into court on a charge of having violated his contract to deliver all of his wheat into the pool. Judgment was handed down by the lower court to the effect that no violation had occurred. It was claimed by the defense that the pools were in restraint of trade and were also operating contrary to the provisions of the Canada Grain Act, in that licenses had not been taken out by the pools as primary grain dealers. The lower court dismissed both these contentions, but held that the member was not bound by his contract to deliver his grain, because, while he had made application to become a member of the pool, the latter had not notified him in writing that his application had been accepted. This constituted a technical defeat for the pool, but proved beyond doubt that the wheat pool contracts are good in law in the Prairie Provinces and that they were sound in principle. Since last year, however, the pool has taken the case to a higher court and a judgment was recently handed down by the Supreme Court of Saskatchewan, reversing the decision of the lower court and granting liquidated damages to the pool as provided in the contract. Thus has the binding nature of the wheat pool contracts been ratified by the highest court in the Province of Saskatchewan and a warning issued not only to members of the several wheat pools, but to all other members of cooperative associations having the legal contract as a basis of membership, that it is better not to sign a contract at all than to endeavor to break it after it has been signed. Possibly the time will come in the history of agriculture when it will not be necessary to bind the farmer to his organization by an iron-clad legal contract. The sooner it comes the better, but it has not arrived as yet."

Potash Survey An O'Donnell, Tex., dispatch to the press of August 6 says: "An effort is being made to have the United States Geological Survey make further investigations of the potash deposits of this section, especially in the vicinity of the numerous salt lakes where potash in commercial quantities has already been found. The attention of Julian D. Sears, acting director of the Geological Survey, has been called to the tests that have been made of these potash deposits, with special reference to tests made at Double Lakes, situated in Lynn County."

Section 3
MARKET QUOTATIONS

Farm Products Aug. 9: Virginia Irish Cobbler potatoes $3 to $4.50 per barrel. New Jersey sacked Irish Cobblers $2 to $2.65 per 100 pounds in eastern cities; $2 to $2.25 f.o.b. Kansas and Missouri sacked Cobblers $1.75 to $2 carlot sales in Chicago. Georgia and North Carolina Elberta peaches 25 to 75¢ lower at $1 to $1.75 per six-basket crate and bushel basket in consuming centers; 75¢ to $1.10 f.o.b. Georgia, North and South Carolina Tom Watson watermelons 24-30 pound average $110 to $275 bulk per car in terminal markets; 28-30 pound stock $125 to $150 f.o.b. Macon. Maryland and Delaware various varieties of cantaloupes $1 to $2 per standard 45 in eastern markets. Arkansas Salmon Tints firm in midwestern cities at 75¢ to $1.25 per standard flat.

Chicago prices - hogs $3.85 for the top price, bulk of sales at $10.25 to $13; top steers sold at $9.75 to $10.75, heifers $10.35 and cows $6.50 to $8.25. Vealers held a top price of $14 and heavy calves $9.

Closing prices on 92 score butter: New York 41¢; Chicago 38 3/4¢; Philadelphia 42¢; Boston 41¢.

Average price of Middling spot cotton in 10 designated spot markets declined 57 points, closing at 17.34¢ per lb. New York October future contracts declined 59 points, closing at 16.71¢.

Grain prices quoted August 9: No.1 dark northern Minneapolis $1.57. No.2 red winter Chicago $1.37; St.Louis $1.34. No.2 hard winter Chicago $1.38; Kansas City $1.37. No.2 yellow corn Chicago 84¢; Kansas City 87¢. No.3 yellow corn Chicago 82¢; Minneapolis 84¢; St.Louis 82¢. No.3 white corn Chicago 82¢. No.3 white oats Chicago 39¢; Minneapolis 39¢; St.Louis 41¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Aug. 9,	Aug. 7,	Aug. 8, 1925
	20 Industrials	166.14	165.21	137.98
	20 R.R. stocks	117.41	116.84	100.63

(Wall St. Jour., Aug. 10.)

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Vol. XXII, No. 35 Section 1 August 11, 1926.

FOOD SHORTAGE CALLED UNLIKELY

A Williamstown, Mass., dispatch to the press to-day says: "Scientists attending the Institute of Politics at Williamstown yesterday expressed the opinion that there need be no fear about a world food shortage, a possibility suggested by Sir Daniel Hall, British agricultural authority, at the Oxford meeting of the British Association for the Advancement of Science, quoted in an Oxford dispatch yesterday. Among those who commented on the views of Sir Daniel Hall were Sir James Colquhoun Irvine, President of the University of St. Andrews, Scotland, and Vice President of the Royal Society of Edinburgh; Dr. Harrison E. Howe of Washington, who is conducting a discussion here on the role of chemistry in the world's future affairs, and John E. Teeple, Treasurer of the American Chemical Society. Sir James said: 'I personally find myself in agreement with the attitude of Lord Bledisloe, who finds comfort in the fact that the acreage of wheat has increased in proportion to the increase of population, and that the productivity of the ground now under cultivation can still be greatly increased through the elimination of insect and fungus pests.'

"Doctor Howe pointed out that there had been a great increase in production here of wheat as the result of the introduction of new varieties of wheat from Siberia, China and various other parts of the world. He held that this procedure and the introduction of nonshattering wheat into the United States and the constant selection of other kinds of wheat fit for planting in the dry areas would further aid to this Nation's security in food. Doctor Howe pointed to the changing food habits of all people as an argument against a food shortage. Humanity would not continue the same type of diet that it now has, he said.

"'There will be no problem,' said Mr. Teeple. Science, he said was solving the food problem. He pointed out the intensification of farming was inevitable and that efficient industrial methods, applied to farming, would increase the output per acre far over the present production. Another factor making for more food, said Mr. Teeple, will be the increased profit from farming. When the farmer earns more for his labor, farm work will become attractive and will draw people from the cities. Asked if he believed that there was a saturation point in the intensification of farming, Mr. Teeple replied that this was perhaps true in the light of present knowledge, but that before that point was reached science will no doubt have discovered new methods. But even assuming that a saturation point may be reached, said Mr. Teeple, long before that time all danger will have been obviated by the application of birth control."

CANADIAN GRAIN CROPS

A dispatch from Ottawa to the press to-day reports: "Canada's total wheat yield is estimated at 316,960,000 bushels for the present year in a crop report issued Aug. 10 by the Dominion Bureau of Statistics. The last estimate was 348,626,000 bushels. The final estimate for last year was 411,375,700 bushels. Yesterday's estimate is based upon the preliminary estimates of fall wheat. A yield of 408,908,000 bushels of oats, as compared with 513,384,000 last year, was forecast. Barley was given as 91,300,000 bushels, as against 112,668,300 bushels last year."

Section 2

British County Councils

An editorial in The Field (London) for July 29 says: "The annual report of the Kent Rural Community Council comes to remind us of the useful work which these bodies are doing in several parts of the country. There are now some fourteen of these councils established in England and Scotland, each endeavoring to coordinate and develop the social activities of their districts. It may be well to explain at the start that rural community councils are voluntary, non-official bodies consisting of representatives of the many different organizations at work in the countryside. The Kent council, for instance, is representative of the relevant county council committees, organizations supported by landowners, farmers and farm workers and a large number of voluntary organizations--in short, it binds together those interested in all aspects of life in the county. The underlying purpose of the council is concisely stated to be to bring united efforts to bear on the needs of the community and thereby to encourage and foster pioneer work, to supplement the public services which need the support of voluntary effort, and generally to provide a means for concerted action where this is needed and generally desired. It is well to remember that to justify their existence these rural community councils must not only be able to record a certain amount of useful work which could have been done perhaps equally well by organizations already in existence, but they must prove their usefulness by results which could not have been achieved without the close association of the various interests of the countryside. In the report on the work of the Kent Community Council during the past year stress is laid on the value of the work done in the villages. The council has been able to give advice on such varied questions as the design and tenure of a village hall; the lay-out of a playing field; the arrangement of the season's lecture fixtures; the initial program of events for a new club, and what authorities or organizations should be approached for particular purposes...."

Cooperative Marketing

An editorial in Hoard's Dairyman for August 10 says: "'Cooperative marketing is receiving more attention than ever before, but progress is slow because leaders devote too much time in trying to find the magic wand or some short cut. How obvious it is to us that business can not be successfully built that way and how regrettable it is when agricultural conditions are so adverse that so much valuable time is being wasted.' These statements are taken from the annual address delivered by G.M.Slocum, president of the Dairyman's League Cooperative Association, before the annual meeting held at Buffalo, New York. What Mr. Slocum says is true and he knows from actual experience that there is no short cut in the development of agriculture. The dairy interests of the Nation are in general agreement on a program to develop its industry and faster progress would be made if all leaders would devote themselves to this program. It is universally held that through intelligent cooperation dairying can be put upon an improved basis...."

Corn Belt Conference Figures

An editorial in The Nebraska Farmer for August 7 says: "When the Corn Belt Committee (whoever or whatever that may mean) met in Des Moines recently to further promote a plan for farm relief, the report of the cost finding committee was unanimously approved. This report set forth that in order to produce a fair profit of 5 per cent on investment, corn must sell in Illinois for $1.43 per bushel; in Nebraska for $1.40; in Minnesota for $1.41; and in North Dakota and Wisconsin for $1.42. Costs of a similar nature were announced on other agricultural products, but the foregoing is

sufficient to indicate how far afield these proponents of farm relief have gone. During the year 1925, eighty-seven Nebraska farmers completed their efforts and made reports in the ten acre corn-yield contest. The full report regarding this contest was published in The Nebraska Farmer of April 10. For the purposes of this discussion, it is sufficient to state that in the western section, the average contestant's profit was $3.20 per acre; in the central section $9.85 per acre; and in the eastern, $9.49 per acre. These profits were based, not upon the Corn Belt Committee's statement of $1.41 per bushel, but upon the then prevailing price of 60 cents. It is notable, too, that the profit of the average contestant was considerably greater than the profit of the average corn grower in each region, and the profit of the successful contestants was appreciably larger than of the unsuccessful ones. The items entering most largely into the question of profit were yield per acre, cost of production, and value of the land. Thus is shown the fallacy of the cost findings of the Corn Belt Committee."

Cotton Consumption in Japan

A Boston dispatch to the press of August 6 says: "Consumption of cotton by Japan is still running at a very high rate. During June, the Japanese mills spun the same amount as they did in May. The May consumption was the largest up to that month in the history of the Japanese spinning industry, according to cabled advices to the Merchants National Bank of Boston. Japan's consumption during June was 224,000 in May and 200,000 in June last year. During the eleven months of the season to the end of June, Japan consumed 2,319,000 bales, against 2,026,000 in the same period last season."

Egyptian Cotton Exports

Cotton exports from Alexandria, Egypt, during July amounted to 53,000 Egyptian bales of 750 pounds gross, according to a cable from Vice Consul Touchette, at Alexandria, based upon trade information and made public by the Department of Commerce. This is a slight increase over the exports during June, which amounted to 48,000 bales. The cotton exports for the 12 months ended July 31, amounted to 923,000 bales, against 897,000 bales last season. The arrivals at Alexandria during July amounted to 15,000 Egyptian bales, against 33,000 bales during June. Stocks on July 31 were 196,000 bales, against 235,000 bales at the end of June. (Press, Aug. 10.)

Electricity in Agriculture

An Oxford, Eng., dispatch to the press of August 7 quotes R.Borlase Matthews, in an address before the British Association for the Advancement of Science August 6, as saying: "More than 200 electric plows have been successfully employed on the Continent....The engineer should turn his attention to increasing the low rate of efficiency of the present-day plow. The most suitable equipment, he declared, for the farmer with 150 acres of land would be a tractor which he could use for plowing, harrowing, rolling, seed drilling, harvesting and transport. Electricity for farm purposes is cheaper, he said, than gasoline, owing to its greater immunity from breakdown."

Farm Ownership

An editorial in The Oregon Farmer for July 22 says: "Though their average receipts were smaller, tenant farms had the better of owner farms in the matters of farm, labor and family income and of per cent return on investment, in the survey of 153 eastern Oregon wheat farms totaling 160,000 acres and valued at over $10,000,000, made by Oregon Agricultural College. This was due to lower total expense and to smaller capital

investment, both important items in figuring profits from wheat growing. Eighty-seven owner farms averaging 1,133 acres in size and with a capital investment of $60,434, had average total receipts of $11,095 and total expense of $6,689, leaving a farm income of $4,406. Interest on the investment at 6 per cent reduced the labor income to $240, as compared with $1,275 as an average on 66 tenant farms of 917 acres each with a capital investment of $56,171, total receipts of $10.182, and total expense of $5,537, leaving a farm income of $4,645. The family income on owner farms averaged $4,597, on tenant farms $4,765; value of farm living $588 and $496, respectively; total family income $5,185 and $5,261, and per cent of return on investment 4.8 and 6.4. There is, of course, another element of value in farm operation besides the actual cash revenue. There is a value in farm and home ownership that can not be calculated in dollars and cents."

Flax Production in Oregon A Portland dispatch to the press of August 10 states that production of flax in Willamette Valley, Ore., has became so successful that manufacture of linenthread for salmon fishing seines, shoe thread and binding twine has become one of Oregon's promising infant industries. The flax fiber produced is declared to be of extreme length and highest quality. Machines are used for pulling the flax at harvest time and the retting process is modern. Manufacture of crashes and toweling has commenced, and no difficulty is found in marketing the product in competition with imported materials. Finer fabrics will be produced later.

Florida Grapes Florida Times Union for August 8 says: "De Funiak Springs is now claiming attention through having sent out recently the first full carload shipment of grapes from Walton County. Two or three varieties of grapes were included in the shipment the greater part Ellen Scott, Carmen and Armalaga, all of which have proved their adaptability to soil and climate and showing up well under good attention. Florida is this year entering the market with a lot of fine grapes, and it is understood that there is no lack of demand for them. That Florida can raise as fine grapes as are grown anywhere has been proved by extensive experiments, and steadily the vineyards are being extended and better crops promised...."

Marketing Farm Products An editorial in The Washington Post for August 10 says: "One of the leaders of the farm bloc in the Senate states: 'The justification for the tariff always has been that it affords protection for the American workingman by not requiring him to compete with the lower labor of Europe and the Orient. Now, Mr. Mellon insists that farm products must be sold in open competition with the farm products of other countries produced by this same cheap labor. The last statement is not according to the facts. American farmers are not compelled to sell their products in open competition with the farm products of other countries produced by cheap labor. In the first place, every American farm product, from wheat, corn, milk, eggs, cattle and meats, to rice and potatoes and peanuts, is protected against similar foreign farm products in the American market. In the second place, outside of wheat, cotton and perhaps rye, approximately 90 per cent, and in many instances 100 per cent, of the American farm production is sold in the American market, where there is complete protection against the farm products of other countries. Only about 10 per cent of the American production of corn is sold abroad, in competition with the corn of other countries. Less than 1 per cent of American vegetables is sold abroad, and only about 5 per cent of American fruit. The Senator who

is defending the American farmers and condemning Mr. Mellon and others is actually misleading the American farmers."

Section 3
MARKET QUOTATIONS

Farm Products Aug. 10: New Jersey sacked Irish Cobbler potatoes 15 to 35¢ lower at $2 to $2.50 per 100 pounds in eastern markets; $2.15 to $2.35 f.o.b. Virginia stock irregular at $3 to $4.75 per barrel. Arkansas Salmon Tint cantaloupes 75¢ to $1.25 per flat crate in the Middle West. Georgia Elberta peaches $1 to $1.50 per six-basket carrier and bushel basket in consuming centers; 90¢ to $1.25 f.o.b. Macon. Maryland, Delaware and Virginia Oldenburg apples $1 to $1.25 per bushel basket in city markets. Michigan stock $1 to $1.50 in Chicago.

Chicago hog prices closed at $13.65 for the top, bulk of sales $10.15 to $13; beef steers choice $8.60 to $10.75; heifers, good and choice $8 to $10.35; medium and common $5.75 to $9; cows, good and choice, $6.50 to $8.25; low cutter and cutter $3.50 to $4.75. Vealers, medium to choice $9.75 to $14; heavy calves, medium to choice $6.75 to $9; stocker and feeder steers common to choice, $5.50 to $8; fat lambs, medium to choice $12.25 to $14.60; yearling wethers, medium to choice $10 to $12.75; fat ewes common to choice, $5.25 to $7.85; feeding lambs medium to choice $11.25 to $13.55.

The average price of Middling spot cotton in 10 designated spot markets advanced 7 points, closing at 17.41¢ per lb. New York October future contracts advanced 7 points, closing at 16.78¢. (Prepared by Bur. of Agr. Econ.)

Industrials and Railroads	Average closing price	Aug. 10,	Aug. 9,	Aug. 10, 1925
	20 Industrials	162.89	166.14	137.41
	20 R.R. stocks	116.10	117.41	100.58

(Wall St. Jour., Aug. 11.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 36 Section 1 August 12, 1926.

THE PRESIDENT FAVORS FARMERS' CREDITS

A Paul Smith's dispatch to-day says: "President Coolidge yesterday assured Arthur R. Rule of New York, general manager of the Federated Fruit and Vegetable Growers, that he favored more elastic credits for the farmers in general, such as were now availab to the cattle growers. The President's conference with Mr. Rule was the first of similar meetings he will have with experts in agriculture and rural banking, and with Cabinet members, to permit him to reach a conclusion as to what further the Government should do to aid the farmers....Mr. Rule not only talked wit Mr. Coolidge on the needs of the farmers, but told him the country would have its largest crop of apples, peaches and grapes in many years, and that much of the cro would be lost because of inefficient marketing systems. The President assured him, Mr. Rule said, that he favored making credits easier for the farmer, and indicated approval of the proposal that the farmer should have the same credit facilities as the cattle growers, who obtain three-year loans on livestock long in advance of the time they can market them....The federated organization did an annual business of $30,000,000, and had thirty-five organizations in half as many States, Mr. Rule sai It desired to expand, and he argued that Government credit should be given to co-operative marketing organizations on easier terms than at present...."

FEDERAL BUDGET

An Associated Press dispatch to-day from Paul Smith's, N.Y., says: "A maximum limit of $3,270,000,000 for Government expenditures in the fiscal year 1928 was set by President Coolidge yesterday. Thi is $55,000,000 more than was provided for the present fiscal year, exclusive of Postoffice Department costs. The figure was arrived at during a conference with Brig. Gen. Lord, Director of the Budget, who came to White Pine Camp to take up wit Mr. Coolidge the budget program for next year, and represents a cut of $99,000,000 by the Chief Executive in the preliminary estimates submitted by the departments a bureaus of the Government on July 15. The increase over the present year is attrib ted to additional fixed charges, occasioned principally by legislation in the closing weeks of the recent session of Congress, and means, Gen. Lord said, that the surplus next year will probably be negligible, whereas in the fiscal year ended las June 30 the surplus was $377,000,000...."

GRAIN MEN AND FREIGHT RATES

A Chicago dispatch to the press of August 12 says: "Grain dealers and shipping interests from the Middle West and Southwest we represented at a conference held at Chicago yesterday to combine the opposition to a reduced schedule of grain and flour rates from Minneapolis to the Atlantic seaboard, announced by the Minneapolis and St.Louis Rai road as effective August 25. Representatives were present from Kansas City, St. Louis, Indianapolis, Louisville, Peoria, Duluth, Omaha and other affected shipping points. They contend that the reduction announced by the Minneapolis and St.Louis, by favoring Minneapolis, breaks down the entire rate structure of the West. The delegates drafted a protest to the Interstate Commerce Commission and discussed the wisdom of sending a committee to appear before the commission. The time for protes expires next Sunday."

Section 2

Apple Advertising — An editorial in Idaho Farmer for August 5 says: "Apple growers of the Northwest should respond warmly to the recently announced plan to advertize their product nationally. The chief purpose of this movement is to stimulate consumption of apples in the East, where great inroads have been made during the last few years with other fruits and sweets. The success of Northwest apple advertising and sales development should reflect directly on the growers' returns within the next two years. Immediate results can not be counted on, but ultimate gains should justify the outlay of finances...."

Bread Price Increase — The Washington Post for August 11 states that an increase of 1 cent in the price of bread was announced here August 10 by six leading Washington bakeries. Other bakeries are expected to follow their lead. The 7-cent loaf henceforth will cost 8 cents, and the 10-cent loaf will cost 11 cents. The bakeries which have decided to increase the prices are the Charles Schneider Baking Co., the Berens Bakery, the Corby Baking Co., the Rice-Schmidt Co. and Dorsch's Bakery.

Canadian Pulpwood Research — McGill University, the Forests Products Laboratories and the Canadian Pulp and Paper Association have combined to establish a central research laboratory for the greater utilization of Canada's timber resources used in the manufacture of pulp and paper products and allied manufactures, and for the centralization of cellulose research, says a Canadian Pacific Railway bulletin. The results of this work, which will be jointly managed by the three organizations, will be made known freely for the benefit of the industry.

Cotton Facts — An editorial in The Washington Post of August 11 says: "At the annual meeting of the New Orleans Cotton Exchange the secretary of that organization reported that while foreign countries, notably Great Britain, are experimenting with the production of cotton in their tropical possessions, thus far the United States has not felt competition from those quarters, although it may. This is a very significant statement, coming from the secretary of the New Orleans Cotton Exchange. From that official it is learned that 79 foreign countries are investigating the production of cotton with a view of supplying their own needs. Furthermore, it is significant that last year Great Britain and Germany bought much less cotton from the United States than in 1924, although purchases by Japan and China made up the loss in sales to Great Britain and Germany. The total value of the American cotton crop last year is estimated at $1,796,804,000. The world consumption of cotton was about 15,675,000 bales, and that of the United States about 7,035,000 bales. The South is feeling the benefits of its own cotton mills, since consumption of cotton in the South is steadily increasing. With a possible reduction in exports of cotton the establishment of cotton mills consuming large quantities of domestic cotton may be a means of saving the cotton-growing industry. The time may not be far distant when the cotton growers of the South will ask for an import duty on foreign cotton."

Food Supply Problems — Sir Daniel Hall's address on production and population before the British Association for the Advancement of Science, at Oxford, England, August 9, is quoted at some length in the New York Times of August 10. Sir Daniel contends that scientific farming is the only way by which the world will be assured a sufficient supply of food. He states that although

there is nothing to be feared from the exhaustion of the fertility of soils, there are certain sociological considerations to be weighed and grave problems arising from them to solved. He is quoted as saying: "Overpopulation and unemployment have become," he says, "terrible realities in this and other countries; many States are finding themselves under pressure to maintain their standard of living against the intrusion of neighboring races propagating recklessly down to the barest margin of sustenance. Again, various studies of the course of prices of wheat have led to the conclusion that before the war the real price was rising continuously, and that this tendency is manifesting itself again, however much the true sequence of prices has latterly been obscured by fluctuations of currency." He then comes to the central point of his argument--that "an increase of population is in the first instance dependent upon an increase in the area of cultivated land." Sir Daniel proceeds to review the possibilities in the countries under review, insisting that under the present system of agriculture more than two acres of land for each unit of increase will be necessary. He studies the problem of agricultural intensification as a possible means of modifying the relationship of land to population, but finds that this "is only to be purchased at the cost of labor and that in the past extending the cultivated area has been a cheaper way of getting the wheat required by the world than by higher farming." Then, approaching the question of "higher farming" he finds that the development of synthetic nitrogen fertilizers must play a dominant part in the solution of the intensification problem.

Sir Daniel holds, however, that a continued expansion of the cultivated area, as opposed to intensification of farming the present area is indicated, if the growing population of the world is to be fed by present methods. "I can not see where," he says, "this new land of the necessary quality is to be found in quantities commensurate with the immediate demand. Doubtless the white races will insist on maintaining their rising standard of living and will apply deliberate checks to their fertility, a process we already see in action. But the restriction of increase will not take effect all at once even under economic pressure, and the danger lies in the period preceding the comparative stabilization." He concludes, therefore, that the intensification of agricultural production is the only remedy and that its only hope for its success lies in the continued pursuit of scientific research.

Commenting upon Sir Daniel's statements, Sir James C. Irvine, president of the University of St. Andrews, Scotland, and now in this country delivering a series of lectures on "Chemistry in World Progress," before the Institute of Politics at Williamstown, Mass., August 10, said: "Regarding the question of new ground which may be available for wheat production, it has to be remembered that the wheat line has in our own time been carried much further North than was considered possible, through the selection of an appropriate variety. One naturally attaches considerable importance to a warning issued by so eminent an authority as Sir Daniel Hall, but, personally, I hope that while it will receive serious attention it will in no way be regarded as ground for panic."

Foreign Trade An editorial in The Journal of Commerce for August 10 says: "Europe did not buy as much from the United States in the past fiscal year as in the preceding one. While it still remains the most important outside market for us, the undeveloped countries seem to be beckoning to American trade. Our Department of Commerce publishes a complete report

of our foreign trade by countries. The total merchandise exports in the past fiscal year amounted to $4,436,013,821. Of this, Europe took $2,333,660,248 or 47 per cent of the total. A year ago European purchas amounted to $2,659,715,390, or 54 per cent of the year's exports. Of course cotton and wheat account for this falling off. It is likely that in the current year our exports of wheat will reach a larger total. Cotton is still an uncertainty, but unless the crop proves to be a disap pointment, so as to increase the price considerably, there is no likeli-hood of any material change in the aggregate value. One consideration r conducive to increased purchases by Europe is the fact that we buy relatively little from her. Our merchandise imports from Europe, amounting to $1,274,895,938 look large when taken alone. But when Europe buys a dollar's worth here we purchase only 54 cents from her. In consequence, this year Europe finds us holding an export balance of $1,058,817,452 against her. Furthermore, the greater part of this is against our war creditors and Germany. Payment becomes a still more difficult propositi for them. But the other parts of the world hold several surprises for u We find on balancing the year's accounts that we owe Africa several million dollars. South America hands us a statement of the year's transactions showing $135,788,895 due from us. Then comes the greatest surpris of all. Asia holds a balance of $1,488,654,729 for us to settle....The logical way is to pay these balances with goods. A naked, barefoot primitive, plowing with a crooked stick, is not a large consumer of goods. But he is a potential purchaser of shoes, clothing, sewing machines, agricultural implements and other essentials of civilization. It is up to us to create in him a desire for those things, increasing his purchasing power by taking still more of the raw materials which he can produce under the stimulation of a wish to possess the things we have to sell. This is virgin soil which has hardly been scratched."

Hoover Urges Wider Roads

Highways must be constructed to protect lives as well as provide transportation, in the opinion of Secretary Hoover of the Commerce Department. Uniform traffic regulations throughout the United States and Canada also are necessary, he declared in a statement made public August 10 by the American Road Builders' Association. "Uniform laws are necessary to check the terrific toll in life and property that reckless automobile driving levies annually in America," Secretary Hoover said. "The activity of the Road Builders' Association in securing such regulations should be supported." Property loss from accidents in the last twelve months he placed at more than $600,000,000, with a death toll in excess of 30,000. (Press, Aug. 11.)

Wheat Output Cost Reduction

A Chicago dispatch to the press of August 10 says: "Sound farm relief may be obtained in many ways other than passage of uneconomic legislation, according to L. F. Gates, former president of the Chicago Board of Trade. In commenting on the farm situation, Mr. Gates pointed out ten thousand combines had been sold this season in the four States of Colorado, Kansas, Oklahoma and Texas. 'The demand absorbed the entire production at prices which mean an investment of approximately $25,000,000,' he said. 'This investment was made because a saving in labor was estimated exceeding the depreciation and interest costs. In other words this machinery was figured to reduce the cost of getting a bushel of wheat to market and make a better net return to the producer. This is along the line of sound farm relief.'...."

Section 3
MARKET QUOTATIONS

Farm Products Aug. 11: Chicago hog prices closed at $13.45 for the top, bulk of sales $10.25 to $13; the better grades of beef steers advances slightly while lower grades declined. Cows and heifers improved somewhat as did vealers and heavy calves. Stocker and feeder steers are weak to slightly lower than a week ago. Fat lambs and yearling wethers lost slightly, fat ewes show mixed movements, declining on the lower grades and advancing on better grades. Feeding lambs are strong to slightly higher.

New Jersey sacked Irish Cobbler potatoes $2 to $2.85 per 100 pounds in eastern cities; $2.15 to $2.35 f.o.b. Cantaloupe prices generally lower. Various varieties from Maryland ranged $1 to $2 per standard crate. New Mexico Pink Meats $1.25 to $1.50 per flat crate. Georgia Elberta peaches 25¢ to 50¢ lower at $1 to $1.50 per six-basket carrier and bushel basket in consuming centers; 90¢ to $1.25 f.o.b. Georgia, North and South Carolina Tom Watson watermelons 24-30 pound average, fir at $175 to $325 bulk per car in terminal markets; 28-30 pound stock $100 to $125 f.o.b. Macon.

Closing prices on 92 score butter: New York 41¢; Chicago 39 3/4¢; Philadelphia 42¢; Boston 41¢.

Grain prices quoted August 11: No.1 dark northern Minneapolis $1.54. No.2 red winter Chicago $1.27; St.Louis $1.33. No.2 hard winter Chicago $1.38; Kansas City $1.28. No.2 yellow corn Chicago 86¢; Kansas City 88¢. No.3 yellow corn Chicago 85¢; St.Louis 85¢; Minneapolis 86¢. No.3 white corn St.Louis 84¢. No.3 white oats Chicago 42¢; St.Louis 40¢; Minneapolis 39¢; Kansas City 42¢.

Middling spot cotton in 10 designated spot markets declined 37 points, closing at 17.05¢ per lb. New York October future contracts declined 39 points, closing at 16.39¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Aug. 11,	Aug. 10,	Aug.11,1925
20 Industrials	161.68	162.89	137.80
20 R.R. stocks	115.48	116.10	100.58

(Wall St. Jour., Aug. 12.)

DAILY DIGEST

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Vol. XXII, No. 37 Section 1 August 13, 1926.

FRUIT INSIGNIA SUIT

The Washington Post to-day reports: "Justice Jennings Bailey, of the District of Columbia Supreme Court, yesterday refused a request for an order restraining Secretary Jardine from carrying out plans for the use of a semi-official insignia by growers and dealers in fresh fruits and vegetables who cooperate with the Department of Agriculture and abide by its regulations governing handling of the products. The injunction was sought by the S. A. Gerrard Co. and Leonard, Crosset & Riley, fruit growers, of Cincinnati, Ohio, who contended that the use of the department insignia by dealers who abided by the regulations would work harm to the business of those who did not accept the plan and could not use the insignia. Justice Bailey declared the arrangement was purely voluntary and danger of loss to dealers who did not enter the scheme was remote."

STEWART PROMISES FARM AID

A Cherokee, Iowa, dispatch to the press to-day says: "Iowa farm relief advocates yesterday found reassurance in the first public speech of David W. Stewart since his appointment to succeed Senator Albert B. Cummins. The new Senator declared he would carry on an aggressive fight in the coming session of Congress for agricultural legislation satisfactory to the Midwest. Speaking before a home coming crowd here, Senator Stewart declared: 'I deplore sectionalism and provincialism. The great strength of our Nation always has been in its political and economic unity. However, the selfishness and sectionalism of the industrial and commercial East have made it necessary for this great Middle West to develop a distinct consciousness as a means of protecting and maintaining the legislation necessary for the development of our farm, industry and commerce. I shall fight with all that I have to advance, protect and maintain the best interests of Iowa.'"

PHILIPPINES OPPOSE LAND LAW CHANGES

A Manila dispatch to the press to-day reports: "Manuel Quezon, President of the Senate, issued a statement yesterday in which he said that the Filipino people were anxious to give the United States rubber and other commodities they need, but that he would oppose any plan looking toward amendment of the land laws in order to bring about the development of this or any other industry...."

CANADIAN TARIFF POLICY

An Associated Press dispatch to-day from Ottawa reports: "A 'brick-for-brick' tariff policy against farm products of the United States will be enacted if the Conservative Party is returned to power in the general election September 14, Premier Meighen said on his campaign tour yesterday. Mr. Meighen has denied assertions he favors such a policy against all the exports from the United States. He does, however, favor it on farm products. If he gets a mandate, he said he would 'make it as hard for the American farmer to sell his products in Canada as the American people have made it difficult for the Canadian farmer to sell his products in the United States.'"

Section 2

British Prices

The end of June British wholesale price index number is stated by the British information service of the Bankers Trust Company of New York to have been the lowest with one exception since January, 1916. An examination of the index numbers for countries whose currencies are now on a stable basis shows that this trend is common to all of these countries; for example, in March, 1915, just before Great Britain resumed specie payments in modified form, the price index number was 164.8; at the end of June, 1926, 146.9. Bradstreet's number for the United States at the same dates was 148.6 in 1925, 138.3 in 1926. At the same dates in 1925, the Canadian Bureau of Statistics reported 161.6 and for the month of May, 1926, 157. The same trend is noticeable in the following countries; Switzerland 166-145; Germany, 142-134.9; Sweden, 164-143; Norway, 276-196; Denmark, 220-141; Holland, 155-143; Shanghai, China, 160.3-155.8 and in India 168-150. On the other hand, the countries whose currencies have not been stabilized show substantial increases: France 524-754; Italy 659-708.

Canadian Colonization

The annual report of the Canada Colonization Association, operated without profit as a subsidiary of the Canadian Pacific Railway for the settlement of fully or partially improved lands along the railroad in the prairie Provinces, has just been made and gives testimony to the value of the work of this organization, announces a Canadian Pacific bulletin, which says: "In its last fiscal year, which ended on May 31, the association was responsible for setting 643 families on 150,555 acres of land in the Canadian West, as compared with a settlement of 633 families on 183,371 acres in the preceding year. It is conservatively estimated that the total of land and equipment transactions in the two years was in the neighborhood of $15,000,000. It is interesting to note that in its last month of operation 67,184 acres of land were settled by 267 families-102 in Alberta, 99 in Manitoba and 66 in Saskatchewan--through the instrumentality of the association."

Dairy Research Need

An editorial in The Dairy Record for August 4 says: "Engrossed in the daily problems of production, manufacture and distribution, the creamery industry gives little thought to the needs of experimentation to discover new methods of conducting its business and widening its outlets. Some research is being conducted by all State schools having dairy departments, to be sure, but lack of finances is greatly restricting the amount of such work. Equally restricted in its scope is the foster-brother of research, commercial analysis. The industry is still in its infancy, insofar as the amount of chemical checks on its work is concerned; there is some testing of salt and butterfat and some determination of yeast and mold content, but, on the whole, the analytical work of the average creamery is limited to a determination of the moisture content of its butter... It is hardly to be expected that the thousands of small creameries scattered around the country can employ skilled chemists to carry on investigational work. But those creameries can insist that their State legislatures appropriate sufficient funds so that State schools may do this for them. They can keep abreast of the changing trends of the industry by seeing that the men whom they employ to operate those plants attend a creamery short course at regular intervals, and then supply the equipment necessary to put into use the knowledge which those men have secured at that short course."

Farm Economics in Scottish Colleges

An article in The Scottish Journal of Agriculture for July says: "In the Scottish agricultural colleges, economics and farm bookkeeping form part of the normal course of study, as they do in several teaching institutions in England. Recently, however, in order to bring Scotland into line with modern developments, the Board of Agriculture for Scotland decided to appoint an Advisory Officer in Farm Economics, and funds have been provided for the appointment of officers of a similar kind by each of the colleges. For the purpose of investigating the whole question with special reference to Scottish conditions the board appointed last year a committee to examine and report on various methods of farm accounting followed in different countries, and to recommend the one which seems best for ascertaining (1) cost of production, (2) profit (making all due allowances for the difference between the conditions of agriculture and those of other industries). To indicate generally what are the principal problems of farm economics, the solution of which might be aided by the collected results of a sufficient number of kept accounts, and whether there is any further statistical information which the board might profitably collect for the purpose of solving such problems. The committee has now presented its report to the board, and the following summary of it has been prepared for publication. The committee begins by distinguishing between two general types of farm accounting -- (1) a form of account designed to show the profit or loss on the farm undertaking as a whole; (2) a more analytical set of accounts, in which an attempt is made to isolate the various kinds of operation carried on as parts of the undertaking, the calculation of cost of production often being made a special feature of the analysis...."

Hawaii Pineapple Pack

A Honolulu dispatch to the press of August 10 states that the 1926 pineapple pack in Hawaii will equal the value of the 1925 outturn, according to an authentic estimate made at Honolulu. The pack for 1926 will have a value of between $34,000,000 and $35,000,000, as against $35,000,000 for 1925. The foregoing estimates are based upon the 1926 opening prices for Hawaiian canned pineapple as announced by the Hawaiian Pineapple Company. All prices are subject to market changes as the season advances.

Jamaica Fruit Aid

A Kingston dispatch to the press of August 10 states that a London telegram reports the Jamaica Producers' Association will receive a grant from the 1,000,000 pound fund voted by the Imperial Government for promoting marketing of Empire fruit. This will provide another alternative market in addition to the contemplated English market.

Negro and Farming

"The Farm the Negro's Best Chance" is the title of an article by Kelly Miller, Dean of College of Arts and Sciences at Howard University, Washington, in Manufacturers Record for August 5. He says: "....To assert that the negro's best chance is on the farm, in spite of the Nation-wide and world-wide tendency to the contrary, is tantamount to the assumption that his economic welfare is governed by special and peculiar considerations. Booker T. Washington lived and died in the belief that, on the whole, the black man would find his best opportunity on the farm. But the progress of events plays havoc with the finality of human judgments. Booker T. Washington had scarcely been dead a year before the involvements of the World War frustrated all previous opinions and calculations as to the negro's part in the general economic fabric. The

necessities of the war created a vacuum in the labor market in the North. The negro rushed in to fill that vacuum....When the impulse of the war shall have spent its force and these northern industries shall have settled down to their normal ways, Booker Washington's philosophy will be found to be basically sound as a comprehensive policy for most of the negroes....The negro shows little developed aptitude or disposition to enter into city business and thus create and direct his own opportunity. He seldom buys and sells commodities with a view of gaining a livelihood on the marginal profit. He is practically self-excluded from this vast field of urban activities. Of the 200,000 negroes in the Harlem section of New York City not a single negro could outfit himself with wearing apparel or equip his household with furniture and utensils by dealing with members of his own race. I am not now dealing with theories, but with indisputable facts which seriously limit the negro's field as a competitor in the sphere of city industries. When we turn to the country the relativity of the situation is entirely different. He has neither the intolerance of racial rivalry nor the relative disadvantages which confront him in the city. The factors are easier to handle, and he has a fund of experience which enables him to cope with his environment. The farming industry does not so easily lend itself to labor organization, which always operates to his disadvantage...."

Philippine Rubber Policy

An editorial in The Journal of Commerce for August 11 says: "General Wood is apparently favoring a so-called 'rubber land act' which has been introduced in the Philippine Legislature and which is designed to provide for rubber land leases of seventy-five years on a large scale. The purpose is to bring about a quick development of rubber growing in the Philippines and is in line with the wishes of American tire manufacturers. So far as can be learned the plan is also acceptable to President Coolidge, both he and one or two members of the Cabinet being reported as devoting serious thought to the whole situation. And yet apparently there is every reason to believe that this measure is to be opposed by the native leaders, if the remarks currently attributed to several of them are at all indicative. What is the reason for this apparently unnecessary deadlock in the Philippines and why should the rubber question be allowed to take precedence over the many problems of a general nature which have for a long time been pressing for attention in the islands? Apparently President Coolidge and his Cabinet had not been particularly interested in the Philippines until the rubber question was urged to the front as a result of a sharp advance in the price of the raw material something over a year ago....The matter is important enough to call for a declaration from President Coolidge with reference to his whole position. If he intends to do anything whatever in the direction of a change in the governmental status of the Philippines--not necessarily granting independence, but even altering the status of the Governor Generalship, as some have suggested--this rubber land bill is unwise. It is unwise because long leases of seventy-five years imply commitments which this Government ought not to make if it is intending any change in the political status of the Philippine Islands. On the other hand, if no such change is intended a definite statement to that effect ought to be made....."

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXII, No. 38 Section 1 August 14, 1926.

THE PRESIDENT DISCUSSES BUSINESS AND FARM RELIEF

A dispatch from Paul Smith's, N.Y., to The New York Times today says: "The administration's new plans to aid farmers were discussed by President Coolidge and Secretary Hoover yesterday and it is understood that a very extensive farm-relief program, that will be more far-reaching than any of the administration proposals yet made, will be announced within the next six weeks. In his discussion of business conditions President Coolidge let it be known that tentative plans had been worked out for improving the agricultural situation by means of coordinating the different existing agencies that provide farm credits, such as banks and insurance and mortgage loan companies. The conference also brought out the fact that the Commerce Department has had some progress in obtaining beneficial adjustments in the textile industry, its activity having been directed to the cotton-spinning trade. In the past month or six weeks a distinctive improvement has been noted. Mr. Hoover's report represented business condition as exceedingly good with some sagging in agriculture, the textiles and the bituminous coal industry. He noted an improvement in the prices of some farm products and said construction was 15 per cent greater in volume than it was a year ago.

"In response to the President's inquiry, Mr. Hoover said that the foreign trade of Europe was about the same as before the World War, England showing a slight gain over its pre-war record, though Germany and France indicated a slight loss. He reported that the exports of the United States, reduced to pre-war prices, were about 57 per cent greater than before the World War, while the imports were about 37 per cent greater. The fact that our exports of manufactured goods were 12 per cent greater this year greatly encouraged the President, who believes that the real test of whether the United States is holding its own in the world trade is in such exports and not in exports of raw materials. Mr. Hoover explained the falling off of the American trade balance last year as due to the reduced prices on cotton and wheat, although the volume of these chief exports were as large as in the preceding year, and the increased price on rubber, one of the principal imports....."

FEDERAL RESERVE RATE

A New York dispatch to the press of August 13 states that the New York Federal Reserve Bank August 12 raised its rediscount rate from 3 1/2 to 4 per cent. This is the first change since April 22, when the rate was cut from 4 to 3 1/2 per cent.

MILK GRAFTER SENTENCED

The Associated Press reports from New York August 13 that William H. Kehoe, former assistant corporation counsel, convicted of conspiring to obtain graft through the sale of bootleg milk, August 12 was sentenced to serve an indeterminate sentence in the penitentiary. During the trial of Kehoe, Samuel Doner, of Dewart, Pa., representative of Ohio, Wisconsin, Michigan and Indiana dairies, identified checks totaling $22,000 which he had paid Kehoe for illegal admission of western cream into New York City.

Section 2

Brand Urges Soil Care

A Williamstown, Mass., dispatch to the press of August 13 reports: "How to coax more from the soil is one of the major problems facing mankind of the future, Dr. C.J.Brand, executive secretary and treasurer of the National Fertilizer Association, told the Institute of Politics August 12. He said civilizations had declined as the original fertility of their soils was exhausted, and warned that this country, still in the period of soil exploitation, was rapidly approaching the point where artificial fertilizers must be relied upon to keep production high enough to feed America's millions. A decadent civilization will result if robbing the soil of its fertility, without building up or conserving it, is continued indefinitely, he believed. 'Food production is not keeping pace with the growth of world population,' he asserted, 'largely because there is insufficient financial remuneration for doing so at the present time, particularly in the United States.'....."

Cuban Tariff

Concessions enjoyed by manufacturers and sugar companies in Cuba to import raw materials at reduced rates, will be cancelled under the new Cuban tariff, according to a statement purporting to summarize the tariff's most important provisions, made public by the United States Chamber of Commerce. The information received by the chamber, it was said, was based largely on an official statement of the Cuban Tariff Commission in its recommendations to the President of Cuba. The Cuban Commission announced that the new rates will not be disclosed until the President acts, but let it be known that preferential reductions, in accordance with the existing reciprocity treaty between Cuba and the United States will be retained, the new tariff also will provide maximum and minimum rates to permit reciprocal arrangements between Cuba and the countries with which Cuba may make commercial treaties. The summary made public by the national chamber, in part, was as follows: "In general, articles which are now manufactured or may be advantageously manufactured in Cuba, are given varying degrees of protection above the existing tariff. Rates of duty on machinery have been reduced in practically all cases. All concessions now enjoyed by manufacturers, sugar companies, etc., to import raw material or other goods at special reduced rates, will be cancelled, and all importers will be placed on the same basis. A good many of the ad valorem rates in the existing tariff will be changed to specific rates. It is further provided that official valuations for duty purposes shall be made every three months for all articles which pay ad valorem duties, thereby establishing what is virtually equivalent to specific duties on all imports."

Food Supply and Population

An editorial in The Wall Street Journal for August 12 says: "A century and a quarter after Malthus published his great essay on population and subsistence the British Association for the Advancement of Science the other day took up the same question--and dropped it, almost where and as Malthus left it. The author of the first attempt to relate population to economic phenomena said that in all times population had tended to outrun subsistence and that therefore it was useless to expect any permanent amelioration of the condition of the poor. The century which began two years later brought a worldwide increase in population which would have been unimaginable to Malthus and his contemporaries. It put his theory to a rigorous test, with the result that the second half of his proposition had to go overboard. A vast multiplication of the mouths to be fed was accompanied, as is generally conceded, by at least some

improvement in the status of those at the bottom of the economic scale. At any rate the world still feeds itself as well as when Malthus wrote and probably nine persons out of ten suppose him to have been totally discredited by the event. But to-day Sir Daniel Hall restates the first half of the Malthusian theory....How difficult it is to draw any settled conclusions in regard to the world's food supply is shown by the fact that the first man who attempted to do so had to wait until nearly a hundred years after his death for even a partial vindication. Malthus afterwards tempered the regidity of his first statement in such manner as to recognize the many variables and unknowns entering into the equation. They are almost as numerous and as little subject to exact calculation to-day as in his time. We can state little positively beyond the fact that arable lands still in reserve have been greatly reduced and that the reserve itself can not be increased. On the other hand, the measure of possible production through scientific exploitation of the soil has never been taken. Students of vital statistics, moreover, are inclined to believe that the increase in human numbers which characterized the last century is slowing down, and that on most sections of the world's surface it assumes some rough relation to the comparative abundance of sustenance. It follows that positive and sweeping generalizations on the world food situation are about as risky as they were in 1798."

Section 3
MARKET QUOTATIONS

Farm Products

Aug. 13: New Jersey sacked Irish Cobbler potatoes $2 to $2.65 per 100 pounds in eastern cities; $2 to $2.10 f.o.b. Kansas And Missouri Cobblers $1.65 to $1.75 carlot sales in Chicago; $1.35 to $1.45 to growers in Kaw Valley. Georgia Elberta peaches ranged $1 to $1.50 per six-basket carrier and bushel basket in consuming centers; $1 to $1.15 f.o.b. Georgia North and South Carolina Tom Watson watermelons, 24-30 pound average, $150 to $350 bulk per car in terminal markets, $75 to $150 f.o.b. Maryland various varieties ranged 50¢ to $1.25 per standard 45 in eastern cities.

Chicago hog prices closed at $13.65 for the top, bulk of sales $10.50 to $13.40; beef steers firm to slightly higher on better grades and weak to lower on lower grades. Heifers advanced as did the lower grades of cows, while better grades of cows declined. Vealers are slightly higher but heavy calves unchanged. Stocker and feeder steers have stronger undertone. Fat lambs, yearling wethers and fat ewes declined while feeding lambs are steady to slightly higher.

Grain prices quoted August 13: No.1 dark northern Minneapolis $1.56; No.2 red winter Chicago $1.36; St.Louis $1.34. No.2 hard winter Chicago $1.37. No.2 yellow corn Chicago 82¢; No.3 yellow corn Chicago 80¢; St.Louis 82¢; Minneapolis 84¢. No.3 white oats Chicago 38¢; St.Louis 38¢; Minneapolis 38¢.

Closing prices on 92 score butter New York 41 3/4¢; Chicago 40 1/2¢; Philadelphia 43¢; Boston 42¢.

Middling spot cotton in 10 designated spot markets advanced 8 points, closing at 16.95¢ per lb. New York October future contracts advanced 12 points, closing at 16.33¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Aug. 13,	Aug. 12,	Aug. 13, 1925
20 Industrials	164.85	163.28	138.60
20 R.R. stocks	118.41	117.55	101.23

(Wall St. Jour., Aug. 14.)

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DAILY DIGEST

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Vol. XXII, No. 39 Section 1 August 16, 1926

CORN BELT SITUATION A dispatch from Paul Smith's, N.Y. to The New York Times to-day says: "The movement of the administration to combat the revolt in the Corn Belt and Mid-Western States, it is declared, has started none too soon, as reports received at Paul Smith's indicate that the most menacing assault in years is being organized against the Republican Party, with the farm relief issue claiming the support of outstanding Republicans in half a dozen States. These reports say that under the leadership of ex-Governor Lowden of Illinois, who marshaled the farm forces several months ago and is regarded as a receptive candidate for the Presidential nomination in 1928, seven States--Iowa, Kansas, Nebraska, North Dakota, South Dakota, Minnesota and Wisconsin, will send delegations to Congress pledged to renew the fight on the McNary-Haugen bill, while Illinois and Indiana will send several favoring the same legislation...."

GOVERNMENT SAVINGS The Washington Post to-day reports: "Savings in the administration of the Government's business totaling many millions of dollars are detailed in the report of Brig. Gen. H. M. Lord, Director of the Budget, to the President covering the expenditures of the Government for the fiscal year ended July 1, 1926, which was made public yesterday. General Lord points out that the surplus of receipts over expenditures for the fiscal years under budget control, 1922 to 1926, inclusive, has aggregated $1,757,099,-152.68. This has been applied to reduction of the public debt, thereby reducing the annual interest charge on the Government by approximately $80,000,000. The savings were managed by various devices, ranging from the failure to replace resigned employees and the apportionment of their work among remaining employees to actual changes in systems of transportation, filing, consolidation of offices, reapportionment of work among bureaus and offices and so forth...."

COTTON OUTLOOK A New Orleans dispatch to the press to-day says: "The dominating factor in the past week's cotton market was of course the big yield forecast given by the Government in the report issued Monday last. This indicated yield of 15,621,000 bales, based on a condition average of 69.8 as of August 1, was fully half a million bales larger than the great majority of traders expected, and the effect on the market naturally was a heavy drop in prices, the immediate loss from the high points of Monday morning being as much as 84 to 86 points, or more than $4 a bale. Of course there are many traders who are convinced that the Government's forecast of the yield based on the August 1 condition is too large, but the effect on the industry in general has been the raising of estimates of the supply for the current season and consequently a belief in lower prices unless the weather proves unfavorable or the depredation of insects proves so severe as to cut down present prospects...."

Section 2

Bulb Raising in Florida

An editorial in The Florida Times-Union for August 11 says: "Experiments having proved that Florida offers unusual possibilities in the way of raising bulbs it is noted that increasing interest is manifested in the industry....Conditions now existing make it important for the United States to raise its own bulbs, and Florida has gone into the matter with enthusiasm and is steadily advancing in the enterprise. An inspection trip made by Volusia County's farm agent, T. A. Brown, has shown that considerable attention is being given to bulb growing in Florida, and that there are working projects established and already successful at St. Augustine, Doctor's Inlet, Cocoa, Vero, Fort Pierce, Stuart, Palm Beach, Fort Lauderdale, Miami, Belle Glade, Pahokee and Canal Point. In some places greater progress had been made than in others, as would be expected, but everywhere that bulbs have been started, the outlook is excellent. Florida soil and climate appear to be splendidly adapted to such propagation, and it is claimed that here may be raised the greater part of the bulbs needed in the country. Mr. Brown made a comprehensive report of conditions and prospects, and among other things said that 'outstanding among the places where the industry has gotten well under way is Vero Beach.' He declares that there bulbs have been grown for two years in cleared palmetto hammock lands, and they appear healthy and good. 'The gladioli were excellent,' he said....Mr. Brown spoke of the Easter lily bulbs that have been raised in Florida soil, and says that the best specimens were produced in Belle Glade, in the Everglades....The plans of some people of the vicinity of the National Gardens, ten miles north of Daytona Beach, include the planting of extensive acreage in bulbs, and it is claimed that this may become the bulb-producing center of the United States. A flower garden covering three miles of land is proposed for the section, which is to be drained near the point mentioned, on the Florida East Coast railway and the Dixie Highway. This will be a demonstration of the growth of bulb plants, and the proposers of the plan have had experience in growing narcissus, gladiolus, poeticus, lilies and other bulb plants."

Canada's Farm Trade

The growth of Canada's trade in farm products is shown by a report of the external trade branch of the Dominion Bureau of Statistics, which announces that the increase in the trade is due largely to exports, says a Canadian Pacific Railway bulletin. The total trade in farm products during the last fiscal was $858,013,796, as compared with $681,770,618 in 1925 and with $652,592,865 in 1924. As compared with the previous year, 1926 saw an increase in value of $176,243,178, or 25.9 per cent, and with the year before that an increase of $205,420,931, or 31.5 per cent. In 1926 import trade amounted to $155,350,506, as compared with $143,920,611 in 1925, and with $149,201,463 in 1924. The export trade increased from $503,391,402 in 1924 to $537,850,007 in 1925, and to $702,663,290 in 1926.

Cotton Rates

An editorial in The Progressive Farmer for August 14 says: "The cotton cooperatives of the South are making a fight for lower freight rates on cotton. For the first time in the history of the Interstate Commerce Commission, an organization has attempted to secure a reduction in freight rates on cotton. Individual farmers have long felt that in comparison with other commodities cotton pays too much for its railroad transportation. But what could they do about it? Individuals are helpless in pleading a case such as this one. It is only by uniting their strength, and applying it through an organization, that farmers can ever hope to correct the great evils that have thrived on their individual helplessness.

The cotton coöps are contending for a 20 per cent decrease in freight rates on cotton, and if they are successful in establishing the validity of their claims, more than seven million dollars a year will be saved for the cotton growers of the South. Their chances for success are good, too. It seems to The Progressive Farmer that this action of the cotton coöps is a fine illustration of two things: First, it is a fine illustration of how farmers through an organization can promote movements for their own good that would get no attention from individual farmers. Second, it illustrates how every cotton farmer in the South, both members of coöps and non-members, have benefited through the organized efforts of a comparatively few cotton farmers. It is unfair that 10 per cent should fight, not only their own battles but those of the other 90 per cent, and yet the cotton coops can't help their own members without helping every cotton farmer in the South. It is plainly the duty of every cotton farmer, who controls the marketing of his own crop, to join the coöp and help put over these beneficial movements."

Economic Conditions

An editorial in The Wall Street Journal for August 12 says: "Economic conditions are probably less static than a wise investor could wish if he is to know when and where to shift his investment to conform with a changing industrial situation. A striking example of the changing alignment in industry is contained in a statistical compilation published by the Department of Labor, dealing with the productivity of labor in four major industries. According to the department's figures, output per man in the steel industry increased 50 per cent between 1914 and 1925; the increase in the boot and shoe industry since 1914 was 16.5 per cent; in the paper industry since 1917, 26 per cent. Taking the output per man of the automobile industry in 1914 as a base of 100, in 1925 it was 310, or a gain of over 210%. In commenting on these statistics, the department says that 'there is taking place in the United States to-day a new industrial revolution which may far exceed in economic importance that older industrial revolution ushered in by the series of mechanical inventions which occurred in England in the last quarter of the eighteenth century.' Industry has become dynamic. It requires continuous operation of the moving picture machine, rather than the snapshot of the camera, to catch and present a true picture of industry and finance. In what way do these changes in industry affect those who are seeking to place their investments to the best advantage?....In mining and farming operations, also, it is fairly safe to say that a movement in the direction of increased efficiency is taking place, though in agriculture the movement is by no means so marked. As to the ultimate effect of all this elimination of waste, this greater efficiency, it might perhaps be inferred by a process of logic, although accomplished facts have an uncomfortable way of disturbing a chain of reasoning. After inventions are first made of improvements introduced, competing companies are spurred on to make similar changes to keep themselves from going to the wall. In the long run, and unless the medium of exchange is 'managed,' the effect should be loosely what has been happening. Further, a lowering of the commodity price index means that fixed incomes rise in real value."

Farm Deflation

A correspondent of The Washington Post for August 12 says: "Why is The Post continually jabbing and slamming the western farmers, claiming their trouble lies largely in the fact that farm lands were inflated during the war period? True, farm land did increase in value, as did everything else, but only a very small percentage of the total of farms changed hands.

However, that advance has now been entirely lost. But why should the farmer alone deflate? How about city property? It has more than doubled in value in the same period, and the advance holds and rents are charged accordingly. Union labor, the great mass of railroad employees and all classes of labor have more than doubled their wages, and the advance holds, as also the great manufacturing industries...."

An editorial in the same issue says: "In another column an esteemed correspondent takes The Post to task for 'continually jabbing and slamming' the western farmers by claiming that their trouble lies largely in the fact that farm lands were inflated during the war period....According to the census the value of all farm lands and buildings in 1910 was $34,801,125,697; and in 1920 $66,316,002,602. The number of acres in farms in 1910 was 878,798,325 and in 1920, 955,883,715. According to these figures, the acreage in farm lands increased about 10 per cent, while the value appeared to increase nearly 100 per cent. The value of farm lands is determined by the crops produced; not by the growth of population, as in the case of city property. The true value of the farm lands did not actually increased 100 per cent when the acreage increased only 10 per cent. The explanation of the high values in 1920 is inflation of the dollar, or unit of measure. It is likewise seen in the apparent increase in the value of all crops from $5,231,850,683 in 1910 to $14,755,364,894 in 1920. Every farmer knows that the farms did not yield three times as much corn, wheat, oats, &c., in 1920 as in 1910. Inflated currency explains the fictitious increase in value. The value of farm lands and buildings in 1925 was $49,546,523,759, which was an increase of about $14,700,000,000 over 1910, a normal increase in value, when measured by the 1910 dollar. The farmer alone did not deflate. Every business man, and every manufacturer, doing business between 1920 and 1925, was obliged to deflate....The values of city property declined, unless the growth of the city or some local reason controlled. Demand and supply control the value of real estate in the cities as in the country....Farmers have suffered no more than the wage earner, the merchant, the manufacturer or any other person who has conducted business since 1920. Inflation boosted prices to a fictitious level. Deflation is bringing them down, unless demand happens to exceed supply; and even then values are fictitious. The same economic law operates in the city as on the farm."

Rubber Production

A London dispatch to the press of August 12 says: "The view expressed in rubber circles at the beginning of the year, that, with the virtual release of the British estates to full production, the world's rubber output in 1926 would once more exceed consumption after a four-year period of excess demand, seems likely to be justified, according to present reports. American consumption, it is also stated, has fallen off. The chief reserve of free rubber constituted by the London stock has risen since the beginning of the year from 6,000 to nearly 28,000 tons. In an expert review of the first half of this year published August 11, shipments of plantation rubber in that period are estimated at 271,000 tons and the total shipments of British rubber at 291,000 tons. It is stated that British production has been considerably below the standard and that so far the expected increase of production in the Dutch East Indies has not shown itself."

Section 3
MARKET QUOTATIONS

Farm Products For the Week ending August 13: The price of hogs at Chicago is somewhat higher than a week ago, top was $13.65 and bulk of sales $10.50 to $13.40; steer beef prices were firm to slightly higher on the better grades but weak to lower on the lower grades. The price of heifers advanced as did the lower grades of cows, while the better grades of cows declined. Vealers are slightly higher but heavy calves unchanged from a week ago. Stocker and feeder steers have a stronger undertone than a week ago. Fat lambs, yearling wethers and fat ewes declined while feeding lambs are steady to slightly higher.

Potatoes about steady. New Jersey sacked Irish Cobblers $2 to $2.65 per 100 pounds in eastern cities; $2 to $2.10 f.o.b. Georgia Elberta peaches ranged $1 to $1.50 per six-basket carrier and bushel basket in consuming centers; $1 to $1.15 f.o.b. Georgia, North and South Carolina Tom Watson watermelons, 24-30 pound average, $150 to $350 bulk per car in terminal markets; $75 to $150 f.o.b. Cantaloupes lower. Maryland various varieties ranged 50¢ to $1.25 per standard 45 in eastern cities. New Mexico Pink Meats $1.25 to $1.50 per flat crate.

Butter markets were steady to firm during the week ending August 13. Closing prices on 92 score: New York 41 3/4¢; Chicago 40 1/2¢; Philadelphia 43¢; Boston 42¢.

Cheese markets developed a firmer tone during week. Trading was not particularly active, but this is not unexpected at this season. Wholesale prices on Wisconsin primary cheese markets August 12, 1926: Single Daisies 20 1/4¢; Longhorns 20 1/2¢; Square Prints 20 3/4¢.

Average price of Middling spot cotton in 10 designated spot markets declined 109 points during the week, closing at 16.95¢ per lb. New York October future contracts declined 109 points, closing at 16.33¢

Hay market firmer on light receipts. Dry weather has reduced hay crop and is causing short pastures in the Central West. Quoted: No.1 timothy - Boston $28; New York $30.50; Cincinnati $20; Chicago $25; St.Louis $21.50; No.1 alfalfa Omaha $17.50. No.1 prairie Chicago $17; St.Louis $17.50.

Feed market dull and prices practically unchanged. Offerings of linseed meal larger, prices steady. Quoted - Minneapolis spring bran $22; standard middlings $23; 34 per cent linseed meal $45. Chicago gluten feed $33.75; yellow hominy feed $33. Memphis $43; Cottonseed meal $32. Kansas City hard winter wheat bran $21.50; hard winter brown shorts $25, alfalfa meal $22.50.

Wheat market lowered by prospects of crop materially larger than last year. Corn and oats firm. Dry weather has caused considerable damage. (Prepared by Bu. of Agr. Econ.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

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BANKERS ON FARM CREDIT

The New York Times to-day says: "Reports that Thomas W. Lamont of J.P.Morgan & Co., Otto Kahn of Kuhn, Loeb & Co. and other leading New York bankers would join President Coolidge in a conference, looking to forming a $100,000,000 farm credit were received with intense interest in Wall Street yesterday. Mr. Lamont is now in Maine, and Mr. Kahn and other bankers mentioned in connection with the plan said that in advance of formal invitations from the President they could not discuss the proposed credit. The new agricultural relief plan is declared to be in very tentative shape at present, and it is regarded as certain that prolonged discussions would precede any concrete action. Conflicting opinions regarding the plan were expressed in the banking world. Some financiers acquainted with the situation declared that the farmers already possessed all the credit facilities they required, and that they would not be benefited by the proposal laid before the President by Secretary Hoover. Others contended that serious study of the farm problem by the big bankers of the country would yield advantages, and that it was time intelligent aid was extended to agriculture as it has been to other industries...."

FARM INTEREST RATE CUT

The press to-day reports: "General reduction of the interest rates charged farmers on loans through Federal Land Banks is planned by the Treasury and Federal Farm Loan Board. A cut from 5 1/2 to 5 per cent in the rate on loans issued by the Wichita (Kan.) Land Bank, effective yesterday, was announced by Commissioner Williams of the Farm Loan Board. Later Acting Secretary Winston of the Treasury indicated that it was intended to pursue this policy in the other land bank districts and he hoped that a rate at least as low as 5 per cent might be obtained generally for farmers. The Wichita bank serves Kansas, Oklahoma, Colorado and New Mexico. A similar reduction in the interest rate was recently approved for the Texas district."

NEW YORK GRAIN MARKET

The New York Times of August 16 reports: "After two weeks of operation of the new grain futures market here, officials of the New York Produce Exchange are highly optimistic over its success and are confident that the new venture is filling a need in the American grain trade. B.M.Wunder, president of the exchange, and Axel Hansen, chairman of the grain futures committee, issued statements August 16 declaring that the establishment of the new market was prompted by economic necessity...."

COTTON LABOR LACKING

A Fort Worth, Tex., dispatch to the press to-day says: "C.W. Woodman, assistant field director of the United States Farm Labor Bureau, at Fort Worth, has issued a warning to the farmers of Central and west Texas to organize at once, with the aid of the various Chambers of Commerce and other organizations, looking to a systematic way to obtain cotton pickers and avert a probable serious shortage of labor to gather the crop....."

Section 2

British Educational Expenditures

England is expending on education about 75,000,000 pounds of public moneys every year, or in round figures about $365,000,000. Of this amount not quite 60 per cent or 44,000,000 pounds comes from the national exchequer and about 31,000,000 pounds from the rates or, as we say, from the local taxes. According to an official white paper just published which has been received by the Bankers Trust Company of New York from its British information service, the greater part of this vast sum went for elementary education, or say 57,600,000 pounds. The next largest amount, 13,546,000 pounds, went for higher education and about 1,500,000 pounds for university education. Agricultural education called for 373,000 pounds and teachers' pensions called for 3,374,000 pounds. The balance of the expenditures went for administration and inspection. The entire amount required for teachers' pensions was not provided by the State, in fact the large portion of 2,395,000 pounds was provided by the teachers themselves. The average pension awarded is about 150 pounds and the retirement age is about 62. The number of students in the elementary schools on March 31, 1926, amounted to substantially 5,000,000 and the number of teachers in the elementary schools totalled 156,000.

Crops and Business

An editorial in The Wall Street Journal for August 16 says: "While the crop outlook has changed during the last thirty days, so that larger yields are indicated, it has become obvious that this is not going to be one of bumper American production. Still the present outlook, considered for its bearing on farmers' purchasing power and general business conditions, makes for optimism. 'Bumper' production, sometimes means overproduction or unwise production. A reduction in the cotton crop of half a million bales from the enormous crop of last year can not be regarded as a calamity, either to the growers or to trade in general. Nor is there serious cause for complaint in the corn belt at a decrease in the corn crop to 2,577,000,000 bushels, as forecast August 1, from a production of 2,905,000,000 bushels last year. Supply and demand for agricultural products promise to become fairly well balanced this year. It is doubtful whether crops of larger proportions than those now forecast would really add to the total net money income of the farmers, if the final result might add to the wealth of the country....Prospects for crops in Europe are reported as much below last year's record production, though up to or above the 5-year average, and this, taken with considerable falling off in the crops of Canada, should make the outlook favorable to the United States in the world market situation."

Farm Credits and Prices

An editorial in The Journal of Commerce for August 16 says: "No doubt the administration is still having very serious trouble with the so-called 'farm question,' due to the fact that many farmers in the Middle West, even in spite of the good crops which are promised, are finding themselves hard put to it to make ends meet. With a Presidential election not so very far away and a record in regard to 'farm relief,' which is not regarded as satisfactory by the agricultural element in the community, the question naturally becomes urgent what the political authorities can and should do in this matter. According to Associated Press dispatches the plan which has been devised to meet this situation is the same that has been tentatively suggested from time to time heretofore, namely, 'the co-ordination of the agencies that provide agricultural credits.'....Now, as to all this, the trouble with the proposal is that it is obsolete. Ten years ago when the original Farm Loan Act was under advisement agricultural discussion centered around the credit question.

To-day the credit question is in the background. Foreign countries regard the United States as oversupplied with credit institutions for agricultural uses. Others think that it is, if anything, rather too liberally disposed to lend on farm security. Farm advocates themselves have reached the point where they quite frankly say that what they need is not credit but higher prices. They do not want to borrow further in order to produce low priced agricultural products; what they want is to get more money for the things that they do produce....What can the administration do to 'meet' the demand of the farmer? That is very difficult to say.... What is clear is that it can not any longer persuade the farmer that more credit will take the place of more money in his pocket."

Farm Equipment Production The Washington Post for August 13 says: "Of a total production of farm equipment valued at $383,736,736 which the manufacturers in the United States turned out of their plants in 1925 there were exported implements and machinery aggregating in value $64,934,212. The largest items were farm tractors and engines, the aggregate value of which was $27,537,859. There is a growing foreign demand for tractors and tractor engines. The shipments of these in 1925 were nearly 70 per cent greater than in 1924, and just about double those of the preceding year. Next to tractors the greatest demand was for harvesting machinery, plows, machines for preparing crops for use, and mowers and rakes. In almost every item of aids to agriculture the American producer finds a steadily growing market throughout the world. In spite of the depression in some agricultural regions in this country the sales of farm machinery were decidedly greater in 1925 than during the preceding year. There have been pronounced increases from year to year since 1922 in the production of corn binders, milking machine units, and windmills, and since 1923 in the production of house water-supply systems."

Florida Citrus Crop An editorial in The Florida Times-Union for August 11 says: "When a statement is made regarding the aggregate size and value of a great crop for Florida, the immensity of the proposition rather blunts the edge of interest where the laity is concerned. It has been told with proper pleasure and pardonable pride, that the citrus crop of Florida for the season which has just closed amounted to something like fourteen million boxes of fruit and brought the growers many millions of dollars....The report of the manager of the Polk County citrus sub-exchange, for instance, brings the matter of raising and selling oranges and grapefruit closer to the average understanding. Mr. Rust, who has charge of the sub-exchange for that splendid old county has made a report that goes into details and works out to the satisfaction of everybody interested in Florida. The crop, which means oranges and grapefruit sold during the season, was worth to the growers $11,240,000. The crop was not as large as that of the year previous; the shipments were only 3,512,709 boxes, and the season before the count was considerably higher. But Florida fruit is better known now, and as soon as understood there is strong demand.... In reference to the canning of grapefruit, which is a new feature of the business, Mr. Rust said that the success attained in thus preparing the fruit to be kept indefinitely and shipped anywhere, meant a great deal for the industry. The growers can now be assured of a market for fruit that is not readily saleable as it stands, and yet is excellent in quality.... A new cannery is being constructed in Bartow at this time which will make, when ready, five establishments of the kind in the sub-exchange district.

The call for canned grapefruit continues to increase, and all that has been canned found quick markets at good prices. The canneries are generally working on advance orders, with no prospect of completely filling them. The citrus fruit crop is a money crop in Florida, and it is dependable. Even in years when the yield is reduced the fame of the fruit makes for a higher price, and the growers realize well on their investments and industry."

Food Supply An editorial in The Washington Post for August 13 says: "Before the British scientific meeting Sir Daniel Hall revived the threat or fear of a world famine in the near future because the population will outstrip the amount of food. This is a revival of the Malthusian theory, long since exploded. The horrible situation pictured by Malthus a century or more ago has never overtaken the people yet. It probably never will. The United States produces more human and animal food than it can consume at home. Argentina produces more food than it can consume at home. Australia produces many farm products beyond its capacity to consume. Canada produces more than it can consume. Denmark and Holland produce more butter and cheese than the two countries can consume at home. Almost every agricultural nation produces more than it can consume at home, and is constantly looking for markets abroad for the surplus....The time will never come when the world as a whole will starve because of lack of food, unless human activity is silenced and the people are paralyzed and unable to labor. When cultivated, the earth will yield an abundance."

Raw Material Substitutes A Williamstown, Mass., dispatch to the press of August 12 says: "Forget your worries and trust to chemistry, was the message sent out to the world from the Institute of Politics August 11 by leading scientists. Is the gasoline reserve being depleted? Forget it. The chemists will find a substitute. Are you worried about rubber? Synthetic rubber may be made from petroleum. Four billion pounds of rubber may be made from 52,000,000 barrels of petroleum. Last year's yield of crude oil in the United States was 758,000,000 barrels. Does the exhaustion of the coal reserves keep you awake nights? Leave it to the chemists. They will harness the inexhaustible energy of the atom to do the world's work. Suppose the atom fails to come up to expectations? The chemists will find sources of energy. Locomotive wheels will furnish the lubricant to make them go smoothly and the energy to make them go round. The optimistic chemists peered into the future and this is what they saw: A world built with houses of steel. Lumber as fuel or construction material, or other composition material, will be too valuable. Exteriors will be of artificial stone....The chemists indicated that the forthcoming famine in the world's mineral and metal supply would cause them no alarm. They would find something just as good, perhaps better. The key they were using to unlock the storehouse of the future, they explained, was chemical synthesis. The age of synthetic material is at hand. The world will soon be freed from the tyranny of specific raw materials, according to the speakers.

"Discussing the rubber situation, Dr. Rober Adam, professor of Chemistry, University of Illinois, said that a modest expenditure in the hope of making a cheap synthetic rubber from petroleum would be more economical in the end than spending hundreds of millions of dollars in the Philippines, Africa and elsewhere for the developing of new plantations. 'Rubber has been made synthetically and the types of raw material necessary are well known, but the serious problem is to find a source of this raw material cheap enough to make synthetic rubber that will compete with the natural product,' he continued. 'Petroleum offers a possibility.'...."

Section 3
MARKET QUOTATIONS

Farm Products Aug. 16: Chicago hog prices closed at $13.60 for the top, bulk of sales $10.10 to $13.15. New York wholesale fresh meat markets (western dressed) is steady on steer beef, $2 higher on veal, $2 lower on mutton, steady on light pork loins and weak to $1 lower on heavy loins.

New Jersey sacked Irish cobbler potatoes $2 to $2.65 per 100 pounds in eastern markets. Kansas and Missouri Cobblers $1.80 to $2 carlot sales in Chicago. Georgia, North and South Carolina Tom Watson watermelons 24-30 pound average, $175 to $325 bulk per car in a few markets; $75 to $150 f.o.b. Macon. Georgia Elberta peaches slightly lower, ranging $1.25 to $1.65 per six-basket crate and bushel basket in consuming centers. Virginia Yellow sweet potatoes $8 per barrel in Philadelphia. Georgia and North Carolina stock ranged $5 to $8.50 in a few markets.

Closing prices on 92 score butter: New York 42¢; Chicago 40 3/4¢; Philadelphia 43¢; Boston 42¢.

Grain prices quoted August 16, 1926: No.2 red winter Chicago $1.36; St.Louis $1.32. No.2 hard winter Chicago $1.36; Kansas City $1.35. No.2 yellow corn Chicago 79 1/4¢; Kansas City 83¢. No.3 white corn Chicago 74¢. St.Louis 80¢. No.3 white oats Chicago 37 3/4¢; St.Louis 36¢; Kansas City 38¢.

Average price of Middling spot cotton in 10 designated markets advanced 39 points, closing at 17.51¢ per lb. New York October future contracts advanced 39 points, closing at 16.92¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Aug. 16,	Aug. 14,	Aug.15,1925
	20 Industrials	166.10	166.64	140.20
	20 R.R. stocks	118.85	118.43	101.99

(Wall St. Jour., Aug. 17.)

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